

# Hurricanes Mitch & Georges: From Relief to Reconstruction

## The United States' Response



U.S. DEPARTMENT OF AGRICULTURE

**Hurricanes Mitch & Georges:  
From Relief to Reconstruction**  

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**U.S. Agency for International Development**

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U S AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

*The Administrator*

Dear Friend

I am pleased to share with you this report on the U S response to Hurricane Mitch and Hurricane Georges

These two hurricanes resulted in the worst natural disaster ever to strike the Western Hemisphere. They caused the deaths of more than 9,000 people, left millions homeless, and resulted in more than \$8.5 billion in damages to homes, hospitals, schools, roads, farms and businesses throughout the region. Responding immediately to the disasters, the U S Agency for International Development (USAID), in cooperation with the U S Department of Agriculture and the Department of Defense, provided more than \$300 million in humanitarian relief aid to millions of people in the form of food, medicine, emergency shelter, and agricultural assistance.

The centerpiece of the U S response was the Central American and Caribbean Emergency Disaster Recovery Fund (CACEDRF), which contained a total of \$621 million in reconstruction assistance. Congress passed this legislation in May 1999, recognizing that full recovery of the region from the storms is clearly in the U S national interest.

This report reviews the relief and reconstruction efforts and details USAID's and U S government partner agencies' reconstruction efforts to date. Over the past decade, tremendous strides have been made toward settling conflicts, strengthening democracy, promoting human rights, opening economies, and alleviating poverty. The economic disruption and dislocation caused by the hurricanes threaten to undermine these achievements. Echoing the views of many Central Americans, we view the reconstruction process as more than just the chance to replace what was there before, but an opportunity to "build back better." In so doing, we can assist the people of these nations as they return to the path of sustainable development and economic prosperity.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Brady Anderson". The signature is fluid and cursive.

J. Brady Anderson

1300 PENNSYLVANIA AVENUE, N.W.  
WASHINGTON, D.C.

A small, handwritten mark or signature in the bottom right corner of the page, possibly a stylized letter or a small signature.

## **EXECUTIVE SUMMARY**

The two hurricanes that devastated the Caribbean and Central America in late 1998 were a setback to the people and to the economies of several nations. In a week's time, decades of development progress were lost as roads, bridges, schools, health clinics, crops, and livestock were destroyed. In Central America, the U.S. Army Corps of Engineers estimated the damage at \$8.5 billion for the region.

USAID's Office of U.S. Foreign Disaster Assistance (OFDA) responded immediately with relief supplies and assistance along with the direct support of the U.S. Department of Defense and the provision of food aid from the U.S. Department of Agriculture. Following on the heels of the relief efforts, USAID reprogrammed funds and began the enormous task of assessing damage and rehabilitating critical services.

In May 1999, Congress passed the Emergency Supplemental Appropriations Act, creating the Central American and Caribbean Emergency Disaster Recovery Fund (CACEDRF), which contained a total of \$621 million in reconstruction assistance. The U.S. Agency for International Development (USAID) and over a dozen other federal agencies are now involved in the reconstruction of the region. All Americans can be proud of this effort, which saved countless lives and prevented the outbreak of disease and hunger.

This report provides information on the immediate relief and reconstruction efforts undertaken by USAID and its U.S. government partner agencies. Many of the activities initiated during the relief phase have been expanded with the help of supplemental funding and are highlighted here. In addition, special attention has been paid to ensuring the accountability of all reconstruction assistance. Additional safeguards have been designed to make sure that these funds are used appropriately.

The United States has joined an impressive array of bilateral and multilateral donors in responding to the challenge of reconstruction. The involvement of many countries along with the international financial institutions makes close donor coordination essential, and again, new mechanisms have been devised to ensure follow-up by host country governments and donors alike, to avoid duplication and to make the best use of funds provided.

Finally, under the direction of the White House and the Office of Management and Budget (OMB), USAID has established close working relationships with more than a dozen U.S. government agencies that are providing specialized reconstruction assistance. Of the \$621 million appropriated by CACEDRF, \$112 million has been transferred to other U.S. government agencies working in concert with USAID.

### **Relief to Reconstruction**

Hurricane Mitch and Hurricane Georges were among the most severe and powerful storms ever to hit Central America and the Caribbean in the history of the hemisphere. Hurricane Mitch, carrying 180 mph winds at its height on October 26 and 27, 1998, produced massive flooding and destruction, engulfing entire villages and

destroying homes, crops and infrastructure. The face of these countries was permanently changed by the devastation.

The human and economic toll exacted by Mitch was staggering. More than 9,000 people were killed, 13,000 injured, and 3 million displaced. In one single, tragic mudslide in Posoltega, Nicaragua, 2,000 people perished. Hundreds of bridges, thousands of schools, clinics and kilometers of roadway were destroyed or damaged. There were also severe losses to rice, corn, beans, coffee and banana crops, the basic economic mainstay of thousands of poor farmers and consumers. Direct and indirect damages from the storm were estimated at more than \$8.5 billion in Honduras, Nicaragua, Guatemala and El Salvador, with \$3.4 billion in Honduras alone.

From September 20-22, 1998, Hurricane Georges swept through the Caribbean, leaving death and devastation in its wake. Damage to the countries of the Caribbean from Hurricane Georges exceeded \$1.7 billion, with the Dominican Republic bearing the brunt of the disaster. Housing, in particular, was devastated, with over 48,000 people requiring new homes and an additional 122,000 homes requiring repair.

In both cases, from the very first moments of the storms, personnel from OFDA were on the ground providing damage assessments. In response to Mitch, the U.S. mounted one of the largest international emergency relief responses to a natural

disaster in U.S. history. In addition, nearly two dozen countries and a dozen international organizations were involved. USAID, the U.S. Department of Agriculture, the U.S. military and others provided over \$300 million in critical assistance in the space of a few months. Water, food, medicines, shelter, blankets and supplies were delivered to millions of victims of the storms' wrath.

U.S. military personnel, who eventually numbered 5,000, rescued more than 1,000 people, cleared roadways and provided emergency repairs to bridges, roads and schools. The food airlift surpassed the comparable period of the Berlin Airlift.

#### What is CACEDRF?

Congress passed the Emergency Supplemental Appropriations Act of 1999 (Public Law 106-31), which appropriated \$621 million for a Central America and Caribbean Emergency Disaster Recovery Fund, or CACEDRF.

#### Central America

Costa Rica	\$ 5.0 million
El Salvador	\$22.1 million
Guatemala	\$25.0 million
Honduras	\$291.0 million
Nicaragua	\$94.1 million

#### Caribbean

Eastern Caribbean	\$ 3.0 million
Dominican Republic	\$29.0 million
Haiti	\$ 9.8 million

USAID/USG Partners	\$112.0 million
USAID Regional Activities	\$12.5 million
Office of the Inspector General	\$ 1.5 million
General Accounting Office (GAO)	\$ 5 million
Operating Expenses	\$5.5 million

Colombia Earthquake	\$10.0 million
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**TOTAL . . . . . \$621.0 million**

and became the largest airlift of food from the continental U S in history, delivering 84 million pounds of commodities by December 31, 1998

USAID provided over \$30 million, which included immediate relief and disaster assistance to repair community water and sanitation systems. Networks of non-governmental organizations (NGOs) were mobilized to distribute food, construct temporary housing, open farm-to-market roads and distribute tools and implements to replant lost crops. Despite the hazardous conditions, major epidemics were avoided. As life threatening needs were met, the priority shifted to helping people return to their normal routines, getting schools and public programs back into operation, giving access to homes, farms, markets and communities. During this phase, USAID provided \$120 million in reprogrammed financing to make this transition possible.

In the face of the huge recovery and reconstruction job that would be required, the Clinton administration assembled a White House Task Force to manage the crisis. President Clinton, first lady Hillary Clinton, Tipper Gore, and numerous congressional delegations traveled to the region to directly inspect the damage and pledge support for the major task that lay ahead. The president enlisted the entire Cabinet to participate in the response and directed a comprehensive approach that included reconstruction assistance, enhanced trade legislation, debt relief and immigration.

By early 1999, USAID missions had taken the lead in defining specific damage estimates and reconstruction requirements with other donors and host government agencies. Other U S government agencies, like the U S Army Corps of Engineers and the U S Geological Survey among others, made assessment visits to the affected countries. Extensive planning efforts were undertaken in each country to begin the process of reconstruction.

On February 16, 1999, the administration announced the request of \$956 million in supplemental FY 1999 funds for the Central American countries affected by Hurricane Mitch as well as the Caribbean countries hit by Hurricane Georges in September 1998. This vital assistance was approved by Congress on May 21, 1999. It included \$280 million to repay accounts that were used to fund the emergency relief effort and \$621 million in grant funding for CACEDRF. Principal foci of the reconstruction assistance are the restoration of national health care delivery systems,

#### **STOCKHOLM DECLARATION**

Reduce the social and ecological vulnerability of the region, as the overriding goal

Reconstruct and transform Central America on the basis of an integrated approach of transparency and good governance

Consolidate democracy and good governance, reinforcing the process of decentralization of governmental functions and powers, with the active participation of civil society

Promote respect for human rights as a permanent objective. The promotion of equality between women and men, the rights of children, of ethnic groups and other minorities should be given special attention

Coordinate donor efforts, guided by priorities set by the recipient countries

Intensify efforts to reduce the external debt burden of the countries of the region

community water and sanitation, and economic reactivation through rebuilding farm to-market roads, and re establishment of agricultural production. The replacement of lost housing and shelter, rehabilitation and resupply of damaged schools, disaster mitigation and watershed restoration, as well as support for local governments, are also critical priorities. More than \$110 million of the fund is being implemented with other U.S. agencies such as the departments of Agriculture, Commerce, Health and Human Services, Housing and Urban Development, Interior, Energy, Transportation, the Peace Corps, U.S. Army Corps of Engineers, Export-Import Bank, Federal Emergency Management Agency and the Overseas Private Investment Corporation.

### **The Consultative Group**

Following passage of the supplemental appropriation, the U.S. government joined over 50 other donor nations and international organizations and financial institutions at the Consultative Group meeting in Stockholm, Sweden, May 25-28, 1999.

#### **Promoting Greater Accountability in Honduras**

The USAID mission in Honduras developed additional levels of oversight for its programs implementing reconstruction activities with Government of Honduras counterparts. In programs with Honduran Social Investment Fund (FHIS), the Sanitation and Water Authority (SANAA), the Ministry of Health (MOH), and the Ministry of Education (MOE), USAID created Concurrent Audit Teams (CATs) to review 100 percent of transactions undertaken with CACEDRF funds. In most cases, these CATs include engineers or other technical personnel who can provide a technical perspective in reviewing transactions. For SANAA, the MOH, and MOE, the same firm performing the CAT function will also manage actual disbursements on the basis of this review and funds will generally be disbursed only on a reimbursement basis. The internal financial reviews carried out by the CATs are in addition to USAID's regular recipient audit program and the audit program developed by the USAID Regional Inspector General.

The countries of Central America formally presented their reconstruction plans while donor countries and the international financial institutions made pledges of support. In addition, the U.S. delegation worked closely with other donors and the host countries' governments to establish a set of guiding principles that were included in the final communiqué of the Consultative Group and is known as the Stockholm Declaration.

Key aspects of the Stockholm Declaration had already been established in USAID's own approach to the reconstruction process. First, all construction work needs to follow sensible land use practices, environmental and disaster risk will determine what is built, where and how. Second, activities need to address the equity issues of the poorest, elderly and indigenous who suffered the most from the hurricane. Third, wherever possible, implementation relies upon

the cooperative forces and dynamism of local government and civil society. And, finally, all participating in the reconstruction will make a strong and full commitment to transparency and accountability in the use of funds.

The Consultative Group also identified a Group of Five (G-5) donors that would initiate discussions with the governments in each country on how best to follow up on these commitments and to monitor the reconstruction process. The G-5 includes



Canada, Germany, Spain, Sweden and the United States. In each country, this donor group expanded to include other interested donors to maximize efforts to avoid duplication and to strive to speak with one voice on policy issues of concern to the international community.

### **Accountability**

From the outset of the reconstruction effort, there has been no greater concern than with the issue of accountability of the uses of reconstruction assistance. In a region that has been plagued with a sad history of misuse of past assistance rendered in the wake of natural disasters, leaders from the region immediately recognized the need for a break with this legacy.

The approach to enhancing safeguards works at multiple levels. First, USAID continues with its standard legislative and regulatory controls over the use of U.S. funds. Second, USAID missions in Honduras and Nicaragua support the Office of the Comptroller General, which is responsible for auditing the expenditures of host country ministries and other institutions working on reconstruction. Third, these two missions have also worked to design new programs that would strengthen host country accountability efforts by improving their procurement systems, providing training and improving their ability to audit and inspect reconstruction activities, whether those activities used donor funds or were funded by their own budget. Finally, in the CACEDRF legislation, Congress included funding for the USAID Inspector General and for the General Accounting Office (GAO) to conduct audits and oversee the implementation of the reconstruction program.

### **Country Programs and Highlights**

The impact of Hurricane Georges and Hurricane Mitch differed from country to country and the reconstruction program was designed to respond to the critical needs that the U.S. Government is best suited to address. USAID and other U.S.G. agencies, in consultation with host country leaders, representatives of local governments, civil society, the private sector and other donors, established priorities and identified specific activities in an overall reconstruction strategy. Country Reports that follow provide highlights on accomplishments to date.

Following passage of the supplemental appropriations legislation, USAID notified Congress of its intention to obligate funds with host country governments and other implementing institutions in each country. USAID notified Congress of all agreements with other U.S.G. agencies to carry out reconstruction activities with CACEDRF resources. All the required notifications and most obligations were completed by September 30, 1999.

USAID missions are currently completing grants and contracts with implementing partners. In many cases, reconstruction activities have already commenced or continue activities that have been funded with reprogrammed resources. The total amount of obligations, grants and contracts and expenditures is shown below.

### **An Explanation of Assistance Accounts**

Foreign aid appropriations are made available through several established accounts. Congress provided the bulk of reconstruction assistance when it created

the new account called the Central America and Caribbean Emergency Disaster Recovery Fund (CACEDRF)

Prior to passage of the supplemental, USAID used other available funding to meet the most pressing needs following the hurricanes. Those accounts included international disaster assistance funds from which OFDA and the Office of Transition Initiatives (OTI) provided funds for hurricane relief and reconstruction activities. Emergency food aid, supplied by the U.S. Department of Agriculture and managed by USAID, was also a critical component of the effort. Finally, funding from USAID's ongoing activities, which is appropriated on an annual basis through the Development Assistance (DA) and Child Survival (CS) accounts, was reprogrammed to meet urgent needs.

**Hurricane Relief and Reconstruction  
Mitch and Georges**

	<i>Through 12/31/99</i>		
<b>RELIEF</b>	<b>OBLIGATIONS</b>		<b>EXPENDITURES</b>
OFDA FUNDS	26 384 304		22 742 889
OTI FUNDS	4 635 992		1 295 419
DA & CS REPROGRAMMED	48 420 000		18 228 211
EMERGENCY FOOD AID	70 072 600		69 302 000
MONETIZED FOOD AID	20 000 000		2 011 700
<b>TOTAL</b>	<b>169 512 896</b>		<b>113 580 219</b>
		<b>CONTRACTS</b>	
<b>RECONSTRUCTION</b>	<b>OBLIGATIONS</b>	<b>&amp; GRANTS</b>	<b>EXPENDITURES</b>
CACEDRF-MISSIONS	448 338 000	337 238 681	10 135 942
CACEDRF-OTHER USG 632(b)	31 130 000	-	2 926 769
CACEDRF-OTHER USG 632(a)	10 595 693	-	3 995 530
CACEDRF-REGIONAL	500 000	500 000	-
CACEDRF-OPERATING EXPENSES	1 949 579	-	1 165 734
CHILD SURVIVAL SUPPLEMENTAL	28 700 000	-	4 735 228
<b>TOTAL</b>	<b>521 213 272</b>	<b>337 738 681</b>	<b>22 959 203</b>
<b>GRAND TOTAL</b>	<b>690 726 168</b>	<b>337 738 681</b>	<b>136 539 422</b>

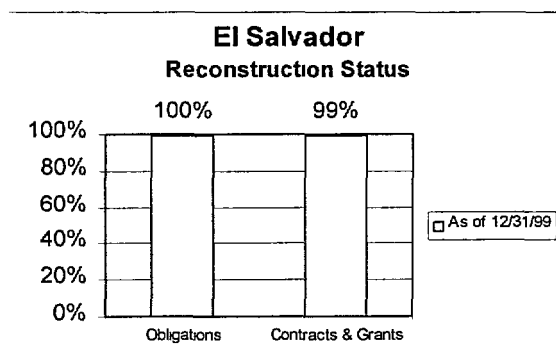
## EL SALVADOR

### Hurricane Relief and Reconstruction El Salvador

RELIEF	Through 12/31/99		
	OBLIGATIONS	EXPENDITURES	
OFDA FUNDS	1 030 000	1 029 770	
OTI FUNDS	-	-	
DA & CS REPROGRAMMED	6 298 000	1 598 570	
EMERGENCY FOOD AID	-	-	
MONETIZED FOOD AID	5 000 000	-	
RECONSTRUCTION	OBLIGATIONS	CONTRACTS & GRANTS	
		EXPENDITURES	
CACEDRF	22 000 000	21 949 000	2 599 300
CHILD SURVIVAL SUPPLEMENTAL	500 000		500 000
SUPPLEMENTAL OPERATING EXPENSES	101 790		12 060
<b>TOTAL</b>	<b>34 929 790</b>	<b>21 949 000</b>	<b>5 739 700</b>

### The Reconstruction Environment

The flooding and landslides in El Salvador from Hurricane Mitch resulted in 374 persons killed and 55,864 displaced. Twelve of the country's 14 departments suffered significant damage, but the hardest-hit areas are in the low-lying coastal zones,



particularly those bordering the Lempa and San Miguel Grande rivers. Roughly 163,000 acres were flooded, and 15 major bridges were damaged or destroyed. The Government of El Salvador (GOES) estimated the total damage at \$132.5 million, making it the worst natural disaster to strike the country since the 1986 earthquake. The flooding was felt most in rural areas, particularly in the departments of San Vicente, Usulután and San Miguel - some of the poorest parts of the country. These were also

areas where people affected by the war had been recently resettled, ex-combatants had been given land, and where many land reform cooperatives are located.

### The U S Government Contribution

The Central American and Caribbean Emergency Disaster Recovery Fund (CACEDRF) provides \$22.1 million for El Salvador. This is in addition to more than \$11 million in reprogrammed Development Assistance, Child Survival and food aid funds and the \$1.035 million provided by the United States in emergency humanitarian assistance immediately after the hurricane struck. As shown on the chart above, 99 percent

of the CACEDRF funds have been placed in grants, cooperative agreements and contracts

#### **Consultations Enhance Participation**

USAID and GOES officials convened meetings with NGOs, local mayors and representatives of affected communities in the lower Lempa River area, the part of the country most affected by the hurricane. The U.S. PVOs explained how they would rely on members of the community to help define the activities to be undertaken in each community. Civil society representatives gave brief descriptions of their implementation strengths and their perception of priority needs. This open exchange of ideas helped to build consensus on design and location of activities and is being continued to advise on implementation.

#### **Other Donors**

Approximately \$1.3 billion has been pledged so far by international donors to support hurricane reconstruction in El Salvador. Major donors include the Inter-American Development Bank (\$570 million), World Bank (\$313.2 million), Spain (\$154.8 million), European Union (\$31.4 million), and Germany (\$26.5 million). The American Red Cross and Catholic Relief Services are each providing approximately \$4 million to El Salvador.

#### **USAID Relief Response**

Disaster relief from USAID's Office of U.S. Foreign Disaster Assistance (OFDA) began immediately with the airlift to El Salvador of 117 rolls of plastic sheeting, 5,150 polyester blankets, 6,000 five-gallon water jugs, and four 3,000-gallon water bladders, at a total estimated cost of \$98,451 including transport. On November 4, 1998, USAID provided \$25,000 in immediate assistance to the Government of El Salvador, which was to purchase supplies and equipment including 100 mattresses, 300 blankets, 500 cooking kits, 2,000 utensil kits, and 2,000 hygiene kits.

On December 4, USAID signed a \$1 million cooperative agreement with CARE International to clean and rehabilitate water systems and individual wells that had been flooded in three departments: San Vicente, Usulután and San Miguel. By June 30, 1999, CARE exceeded all targets by cleaning more than 4,600 wells and rehabilitating 4,700 latrines. CARE repaired nine community water systems, providing water for 9,800 people, and rehabilitated the road to the community of Puerto El Flor, in the Usulután department.

USAID reprogrammed over \$6 million in Development Assistance and Child Survival funds for rehabilitation and disaster mitigation and mobilized existing projects to provide immediate assistance. Children were sent back to schools (see box), and health promoters provided chlorine supplies to local communities. They prepared messages for local radio stations to teach communities how to handle garbage and solid waste disposal to prevent epidemic outbreaks and distributed pamphlets on effective water treatment practices. Relief workers provided plastic containers to store chlorinated water.

#### **Children Back to School**

Under the Basic Education Project (SABE), USAID delivered 4,500 combination school desks with chairs to 60 schools in four rural departments where Mitch had destroyed school furniture. Valued at \$260,000, the desks will serve 9,000 young children in kindergarten through ninth grade.

filters for contaminated well water. Reprogrammed funds were also used to hire nurse assistants and purchase spray pumps to control dengue and malaria.

### **USAID Reconstruction Program**

The focus of the USAID reconstruction program in El Salvador is on reducing the vulnerability of the rural poor in the most affected areas. This implies more than simply restoring conditions to their pre-Mitch state. Rather, it requires stimulating economic activity, restoring and expanding access to basic community services, and mitigating the environmental impact of future natural disasters.

Reconstruction activities are focused at the community level with strong community participation. Community and municipal government participation in identification of needs, setting development priorities and implementation, is essential for the sustainability of the interventions. Close cooperation among other donors, the GOES, local governments, local non-governmental organizations and other implementing institutions is essential to the success of the program. To foster this coordination, USAID took the lead to create networks of organizations working on reconstruction (see box).

### **Assisting Communities in the Lempa-Grande (\$10 Million)**

USAID awarded a cooperative agreement to a consortium led by Cooperative Housing Foundation (CHF) on June 17, 1999, to address the priority reconstruction needs of the 150 communities in the Lempa-Grande floodplain. CHF is working with local NGOs, municipal governments and directly with the communities to set the priorities and implement interventions in the following areas: (a) technical assistance and basic agricultural inputs to small farmers, (b) rehabilitation or building of small productive and social infrastructure projects, (c) construction of approximately 500 houses to introduce flood-resistant housing designs and materials, (d) reconstruction or rehabilitation of 80 schools and replacement of school furniture and supplies, (e) reforestation and limited infrastructure improvements such as retaining walls and drainage ditches to minimize future flooding and landslides, and (f) education programs to train communities in disaster preparedness.

More than 1,450 acres have been planted in sesame, beans, flower bud (loroco), and cashew. Farmers have received direct technical assistance and training in soil preparation, crop management, and marketing. Two local NGOs are constructing over 200 houses that incorporate technical design innovations to mitigate damage from future floods and other natural disasters. In addition, 10 schools have been selected for rehabilitation, and construction is under way on two of them. Six municipal disaster preparedness plans have been prepared and reviewed with community participation. Over 120 leaders in four communities have been trained in community-level disaster planning and preparedness in partnership with the National Emergency Committee (COEN), the mayors' offices and the local development committees.

On September 30, 1999, a \$1 million agreement was signed with the U.S. Army Corps of Engineers to develop a major flood control plan of the Lempa Grande floodplain.

## **Improving Access to Clean Water and Sanitation (\$2.7 Million)**

The Mitch Water and Sanitation Activity consists of two components being implemented by CARE under a cooperative agreement signed June 17, 1999. CARE is repairing and upgrading water distribution systems (wells and small community systems) and latrines in 10 municipalities using a methodology, developed under a separate, ongoing water and sanitation activity, that complements infrastructure improvements with health education, community organization and environmental protection for maximum impact and sustainability.

CARE is also designing wastewater treatment systems in Jiquilisco, Puerto El Triunfo, and Berlin, three towns in the target area that have been identified as major sources of contamination. These improvements will lead to a reduction in the incidence of diarrheal diseases and their severity in infants and children under 5. Community participation in the design, implementation and maintenance of the water systems is a hallmark of this effort. It also includes organization of community health committees, health education and training activities at the community level.

More than 100 latrines have been constructed, more than 250 hand pumps and sanitary seals have been installed, and 2,000 trees have been planted to protect micro watersheds. Nineteen community health committees have been created to carry out health activities in the communities where water systems and latrines will be provided. In coordination with local governments, community leaders, and other entities, the grantee completed feasibility studies and hydraulic designs, and began construction of water systems in three communities, Las Pozas, Puerto Parada and La Pradera.

### **Reconstruction Partners**

CARE  
Cooperative Housing Foundation (CHF)  
Cooperative League of the USA (CLUSA)  
Partners of the Americas  
Habitat Foundation  
Habitat for Humanity  
Government of El Salvador  
Other US agencies  
Other donors  
National Emergency Committee (COEN)

## **Reactivating the Local Economy (\$8.9 Million)**

This activity is designed to stimulate economic activity in 10 municipalities in the Lempa-San Miguel Grande floodplain through the rehabilitation of rural roads and expansion of the electrical distribution grid. USAID will help rehabilitate 68 miles of rural roads to improve access to markets and other services. The Ministry of Public Works will implement this component, with significant input from municipal governments in determining the list of roads to be repaired.

Access to electricity is a key factor spurring economic activity, job creation and the improvement of the quality of life in rural areas. The use of electricity facilitates the formation of rural microenterprises and the operation of irrigation systems for high-value crops. Electricity is also necessary for development of housing, water systems and health services. Under the Rural Electrification activity, the Government of El Salvador's rural electrification unit will construct 49 miles of new distribution lines in areas affected by Mitch. USAID funds will finance engineering designs and procurement of materials required for the construction. By the end of the activity, 13,380 more people will have access to electricity, and 27,000 people will directly benefit from the rehabilitation of 68 miles of farm to market roads.

Over 80 kilometers of rural roads have been selected with the participation of communities and local governments, and technical designs and budgets for road rehabilitation are complete. Solicitation documents have been prepared and translated. Construction of 16 small infrastructure projects has now begun. Seventy kilometers of electrical distribution lines for 1,950 families have been identified and are under design.

# Guatemala

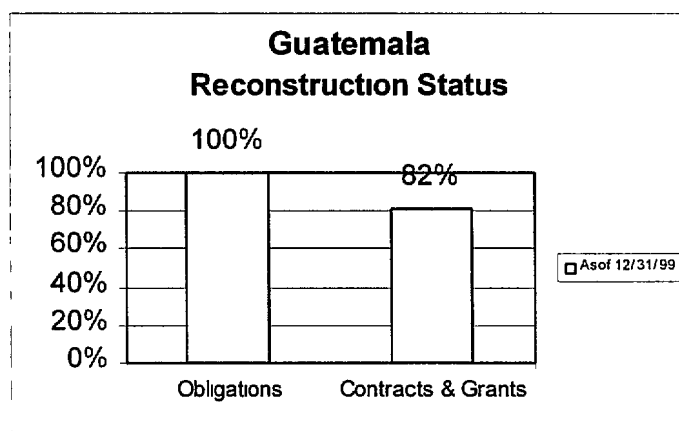
## Hurricane Relief and Reconstruction G/CAP Bilateral Plus Regional

RELIEF	Through 12/31/99		
	OBLIGATIONS		EXPENDITURES
OFDA FUNDS	1 042,000		1 042 000
OTI FUNDS	-		-
DA & CS REPROGRAMMED	1,297 000		1 297 000
EMERGENCY FOOD AID	3 600 000		3,600 000
MONETIZED FOOD AID	-		-
RECONSTRUCTION	OBLIGATIONS	CONTRACTS & GRANTS	EXPENDITURES
CACEDRF*	34 430 000	27 726 000	1 042 000
CHILD SURVIVAL SUPPLEMENTAL	3 000 000		18 000
SUPPLEMENTAL OPERATING EXPENSES	92,000		51 000
<b>TOTAL</b>	<b>43 461 000</b>	<b>27 726 000</b>	<b>7 050 000</b>

\* Includes \$2 0 million for IAAs with USGS and DOC/NOAA and \$5 million for Costa Rica

## The Reconstruction Environment

Hurricane Mitch hit Guatemala hardest on the south coast, in the central and north west river valleys of Polochic and Motagua near Lake Izabal and on the Caribbean coast – damaging an area the size of El Salvador. While loss of life was minimal due to preventive evacuation of populations most at risk, direct damages to infrastructure, crops, housing, schools and health clinics is estimated at \$550 million plus \$280 million in foregone revenues from exports and reduced economic growth. The estimates of damage included 268 dead, 106,600 evacuees, and a total of 750,000 people affected. The damage to infrastructure was great, with 53 bridges damaged and 68 destroyed, 90 stretches of road affected, and 19,332 houses damaged and another 2,293 destroyed. On the productive side, agriculture was hardest hit, with 225,000 acres of losses in basic grains, coffee, vegetables, and bananas. Fifty major and over 200 minor irrigation systems were also damaged.



## The U S Government Contribution

USAID is providing \$25 million in supplemental funds along with \$3 million in Emergency Child Survival funds in the reconstruction program. This is in addition to the \$9.5 million provided by the United States in emergency humanitarian assistance immediately after the hurricane struck and the \$29 million that the



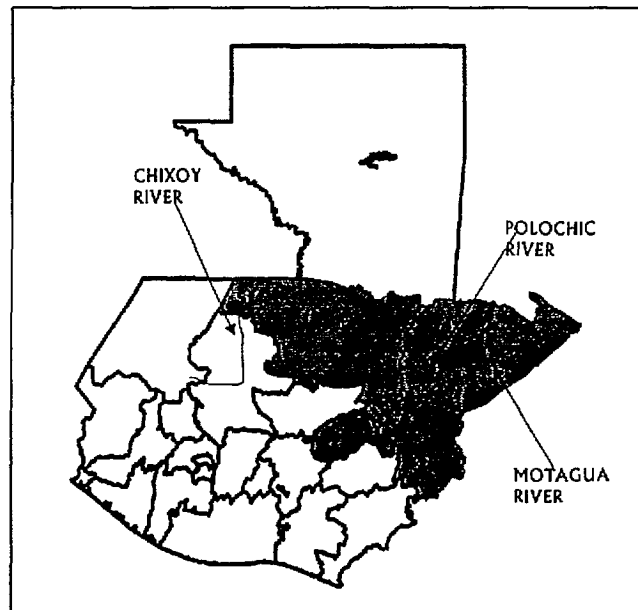
United States contributed for rehabilitation and reconstruction in support of the Guatemalan government's 100 day plan

### **Other Donors**

The Inter-American Development Bank reports approximately \$1.7 billion has been pledged so far by international donors to support Hurricane Mitch reconstruction in Guatemala. Major donors include the Inter-American Development Bank, (\$860 million), Central American Bank for Economic Integration (\$61 million), Japan (\$106.5 million), Spain (\$31 million), and the World Bank (\$459 million). The U.N. system and the European Union have also pledged reconstruction assistance (\$9.6 million and \$19.8 million, respectively).

### **USAID Reconstruction Program**

The rehabilitation of rural areas affected by Hurricane Mitch (see map) is the main focus of the USAID hurricane reconstruction efforts. Economic activity was dealt a severe blow by the storm, with 1999 economic growth projected to drop by 1.5 percent. The storm also complicated Peace Accord implementation. This targeted (1999-2001) two-year assistance effort is directed at Guatemala's most affected departments: (1) to strengthen national and community-level disaster preparedness, (2) to help recover sustainable agricultural productivity, and (3) to improve disease prevention and control programs. This framework guides all U.S. agency assistance efforts.



### **USAID/Guatemala Hurricane Reconstruction Geographic Focus Rural Economic Productivity Recovered**

This activity provides critical support to the GOG and non-governmental organizations (NGOs) to help affected small farmers and their families and microentrepreneurs recover from the devastation of Hurricane Mitch in late 1998. A range of assistance activities has been made available, including irrigation system rehabilitation, on-farm soil conservation, water management, reforestation in coordination with municipalities and the National Forestry Institute, improvement in the capacity of community organizations, municipal governments, and local NGOs to manage their natural resources, and crop diversification to enable subsistence farmers to engage in higher-value commercial production.

USAID and the National Coffee Association are working with the local federation of cooperatives to rehabilitate lands and to re-establish and improve coffee plantations. The Ministry of Agriculture's Science and Technology Institute (ICTA) is being assisted to establish a seed bank, and it, in turn, is encouraging communities to set

up their own seed banks. USAID is providing financing to BANRURAL (Rural Development Bank) to re-negotiate loans of micro-entrepreneurs and expands credit services into Mitch-affected areas. Finally, through road rehabilitation and maintenance programs implemented by Cooperative Housing Foundation, roads, vehicle and footbridges, and other infrastructure will be repaired.

#### **Early Efforts Save Lives**

With USAID financing, the Ministry of Agriculture is currently working on six flood control sites along the Motagua river. The one site that is most advanced is El Jicaro. MAGA reported in September the river rose to flood proportions at El Jicaro but that the gabions did their job and saved 350 families from having their homes swept away and protected some agricultural land as well.

Emergency repair and reconstruction activities, including the transfer of USAID local currency to the Ministry of Agriculture (MAGA) and the DOD "New Horizons" program following the hurricane, have been continued and have helped create a foundation for the reconstruction work.

Most of the early U.S. reconstruction assistance for Mitch reconstruction has been concentrated in the Polochic and Motagua river valleys. The town of Tucuru in the upper part of the Polochic river valley was seriously affected by landslides and damaged bridges, roads, and homes. In the Sam Green community in Tucuru municipality, CARE has been helping to move vulnerable parts of

their community away from the riverbank, rehabilitate their water system, and construct latrines. At the lower end of the Polochic river valley in the town of El Estor, Catholic Relief Services (CRS) has been working with nearby communities on the rehabilitation of wells and the construction of latrines that use an improved dry compost technology.

In the town of San Pablo in Zapaca along the Motagua River, CRS is helping small farmers with an agricultural production rehabilitation effort to address erosion of farmland, caused by flooding. CRS and Caritas, the local Guatemalan Catholic relief agency, are helping farmers rehabilitate their land and improve farm productivity by providing credit and improved seeds.

In the town of El Jicaro in the Department of El Progreso, along the Motagua river, MAGA has started constructing *gabions* (stone filled wire baskets that reinforce the riverbank) to protect the town, bridges, and irrigation works from the river. One hundred linear meters of this riverbank retention structure are being constructed to protect the

#### **Rehabilitation Starts with Housing, but Reduced Vulnerability Means Higher Ground Sites**

The Rio Motagua, Guatemala's major watershed, bisects the Department of El Progreso. At the height of the flooding caused by Hurricane Mitch, 125 families in a single community lost their homes as the Motagua River overflowed and carried away houses and personal belongings. These houses were located on land owned by Railroads of Guatemala (FEGUA) and the affected families do not have title to the land. To help these needy families, the National Peace Fund (FONAPAZ) purchased four hectares of land (on higher ground to avoid damage from future flooding) and subdivided this land into 125 lots to be given to the affected families. With funding from USAID, SHARE/Guatemala is providing the construction materials and support to the families to rebuild on the new site.

3,000 inhabitants of El Jicaro, the road and a bridge from future flooding. This effort is also helping to recuperate 50 hectares of land.

At the same time that the emergency and recovery efforts were laying the foundation for the larger and more complex reconstruction program, reconstruction planning and initial implementation have also begun. The last two months of FY99 have been critical to putting into place the CACEDRF funded reconstruction program. Again, both CARE and CRS are important partners in reconstruction of the affected watershed areas. In the last two months, both CARE and CRS have received an additional \$6 million and \$2.3 million, respectively, to continue and expand their watershed rehabilitation activities.

The U.S. Army Corps of Engineers (USACE) is providing critical technical services in watershed rehabilitation efforts. Under a \$2 million interagency agreement with USAID, USACE initiated work in Guatemala in September, fielding a seven-person reconnaissance team.

The Ministry of Agriculture has received \$3 million from USAID for continued watershed reconstruction in the Motagua river basin started earlier. However, some of these funds are to be used to implement some of the short-term solutions to be identified by USACE. Similarly, the Ministry's rural development bank, *BANRURAL*, has received \$2 million from USAID to provide microenterprise recovery and credit resources. Also, the Cooperative Housing Foundation (CHF) received \$2 million for rural road rehabilitation and other basic infrastructure. A \$3 million agreement with the local coffee producer's association, *ANACAFE*, will support rehabilitation of coffee plantations of small coffee growers affected by Mitch, mainly in the Polochic Valley.

The USDA Forest Service is providing technical assistance directed at rehabilitating the upper-watershed areas of the Sierra de Las Minas, the mountain range between the Motagua and Polochic valleys. Their work is focusing on reforesting areas that are at risk for landslides or have been damaged in the past by heavy rains, fires, or clear-cutting for agriculture and ranching.

#### **Emergency Seed Multiplication Program Assures Adequate Supply for New Crop Cycle**

Production of the black bean staple food is essentially a small producer activity. Hurricane Mitch destroyed both land through flooding and erosion and seed stocks. The Ministry of Agriculture, with a \$50,000 grant from USAID's Income Strategic Objective, helped its Institute for Capacity Building and Agricultural Technology (ICTA) promote the production of improved black bean seed. The effort produced 600,000 pounds of seed that were distributed to small producers in Chiquimula, Zacapa, Alta Verapaz, and Baja Verapaz, in time for the new crop season.

### **Disaster Preparedness Enhanced**

USAID and other agencies are helping to strengthen Guatemala's disaster preparedness and mitigation capacity. Overall objectives include equipping and upgrading the capacity of the National Disaster Coordination Committee (CONRED) and strengthen CONRED's network of departmental committees (DEPRED). The GOC also plans to carry out a vulnerability assessment to identify communities most at risk of natural disasters including floods, volcanic eruptions, landslides, and earth

quakes The Institute for Seismology, Vulcanology, and Meteorology (INSIVUMEH) will carry out much of this work The beneficiaries of these efforts will be the community inhabitants in at risk areas Staff of CONRED and INSIVUMEH will be trained and or equipped with improved technology

Beginning in August 1999, CARE, and later CRS initiated community-level work and planning and coordination with GOG counterparts Combined, CARE and CRS have a total of \$650,000 to conduct community level training to enable communities to plan for and respond to future disasters through local volunteer committees Both CARE and CRS will work with these community committees to help them establish coordination links with DEPREM Already, CARE's initial contact with communities has taken place and CRS' Emergency Project's Coordinator has begun meeting with CONRED officials to map out an approach to community outreach compatible with CONRED's objectives and methodology

Other USG agency reconstruction efforts in support of disaster planning have begun The United States Geological Service (USGS) is conducting data collection and risk mapping for landslides attributable to precipitation phenomena and for volcano hazards With these data, the USGS will develop digitized elevation maps (DEMs) that show the degree of risk faced by populations living near the potential landslide area or volcano The DEMs will be regularly updated and made available to community disaster committees, to DEPREMs and to CONRED Also, the USGS is restoring damaged river monitoring stations to provide flood warning in selected watershed areas

In a similar vein, the National Oceanic and Atmospheric Agency (NOAA) has begun work with INSIVUMEH to re establish and improve hydrometeorological data collection networks, including weather stations and precipitation gauges This data will be integrated into a community-based, early flood warning system Achieving this second stage of NOAA's work will involve close coordination and information sharing with CONRED as well as with the DEPREM and community committees

<b>USAID/Guatemala Reconstruction Partners</b>	<b>Improved Community Disease Prevention and Control (\$3 Million)</b>
CARE CRS CHF MAGA/CIPREDA ANACAFE MAGA/BANRURAL USG AGENCIES, including USACE, NOAA, USDA, CDC	The health component of the hurricane reconstruction effort supports the prevention and control of infectious diseases, particularly cholera, dengue and malaria, in selected regions of the country USAID is strengthening local disease surveillance and better household health practices to inhibit disease transmission The malaria and cholera elements of the program have a rural focus, while the dengue effort center on urban and peri urban areas The construction and rehabilitation of water and sanitation services in communities complement these actions

The health efforts rely heavily on the Centers for Disease Control (CDC), CARE and Catholic Relief Services for results The CDC is providing services directed at enhancing local malaria prevention and control programs, as well as supporting the water and sanitation efforts of CARE and CRS

CARE has already initiated work to rehabilitate and construct water systems in 14 communities. Activities conducted to date include a general diagnosis of affected areas to set priorities, and a review of 30 communities to select the 14 communities most in need. Technical studies are finished in three communities: Punta de Rieles Lagarto, Sepur Límite, and Sepon, located in the municipality of Panzós, Alta Verapaz, and construction of water/sanitation systems began in October.

Community organization meetings have been held with community representatives and local authorities to organize community members prior to the start of activities. Community members and local authorities agreed with the proposed projects and agreed to contribute labor and local materials. In addition, community members agreed to take care of maintenance to secure sustainability of proposed interventions.

CRS initiated field promotion work related to the construction and rehabilitation of water and sanitation facilities. To date, CRS has completed an analysis of 35 communities in the four geographic areas where it works where Mitch had caused serious damage and loss: Motagua, Izabal, Zacapa, Chiquimula, Polochic, Panzós, and Ixcán.

### **US PVOs Create Recovery Momentum**

US PVOs made significant momentum toward recovery in the emergency and relief phases of Mitch. CARE, with a \$500,000 grant from OFDA, rehabilitated 68 community water systems which directly benefited 38,000 people, and aided in the construction of 1,200 latrines in 18 communities (aiding 7,200 beneficiaries), in the municipalities of Tamahú, Zenahú, Chisec, Tucuru and la Tinta in Alta Verapaz. Similarly, CRS, with an OFDA grant of \$499,515, distributed five gallon containers, and a three month stock of chlorine to disinfect water to 11,819 families (71,000 beneficiaries), distributed medicine (communal basic medicine stocks) in 47 communities benefiting 2,182 families (13,000 beneficiaries), and rehabilitated or constructed water systems in 31 communities benefiting 1,725 families (10,300 beneficiaries), and constructed latrines in 11 communities benefiting 262 families (1,450 beneficiaries). And both CRS, CARE, along with SHARE, distributed \$3.1 million in emergency PL480 Title II commodities in the most affected communities in 20 municipalities of Alta Verapaz, Izabal, Zacapa, Baja Verapaz (Purulhá) and Quiché (Ixcan). Some 35,000 people received emergency food rations.

## HONDURAS

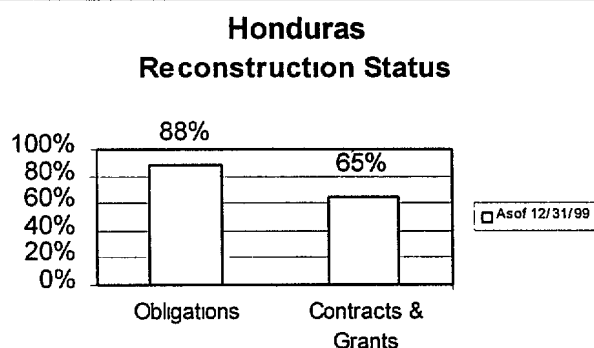
### Hurricane Relief and Reconstruction Honduras

RELIEF	Through 12/31/99	
	OBLIGATIONS	EXPENDITURES
OFDA FUNDS	13 829 654	13,488,648
OTI FUNDS	4 635 992	1 295 419
DA & CS REPROGRAMMED	15,265,000	7,990 235
EMERGENCY FOOD AID	42,531,000	42 531 000
MONETIZED FOOD AID	-	-
<b>RECONSTRUCTION</b>		
	OBLIGATIONS	CONTRACTS & GRANTS EXPENDITURES
CACEDRF	257 000 000	188 167 000 1 793 192
CHILD SURVIVAL SUPPLEMENTAL	14 000,000	2 498 958
SUPPLEMENTAL OPERATING EXPENSES	955,816	529 025
<b>TOTAL</b>	<b>348 217 462</b>	<b>188 167,000 70 126 477</b>

### The Reconstruction Environment

Estimates are that over three fourths of Honduras' total population were affected by Hurricane Mitch with more than 5,000 dead, over 12,000 injured, and over 8,000 missing. Projections of total economic losses range beyond \$4 billion and include some \$1 billion in agricultural losses. Economic growth projections for 1999 have been revised downward to -2 percent from a projected pre hurricane figure of 5 percent.

USAID/Honduras' strategy responds to the changed development context after Hurricane Mitch and addresses the most critical hurricane reconstruction needs, e.g. economic reactivation, public health, education, shelter, environmental management, disaster mitigation, local government, and transparency and accountability. The six primary themes, which cut across the reconstruction program and



which are incorporated into all aspects of USAID's reconstruction assistance, are poverty reduction, participation and self-help, environmental improvements, strengthened role for municipal governments, accountability and transparency, and rebuilding a better Honduras. Distinct from USAID's existing program, the reconstruction program undertakes new activities such as rural roads and bridges, agricultural credit and technology transfers, rural and urban

water and sanitation systems, watershed management, housing, and transparency and accountability. It also expands the geographic scope and focus of activities in health, education, microenterprise support and municipal development to reach those populations most affected by the hurricane.

## **The U S Government Contribution**

Honduras will receive \$291 million in supplemental funds for hurricane reconstruction via USAID. An additional \$28 million is being provided through other U.S. Government agencies administering CACEDRF funds. The above stated funds are in addition to over \$300 million provided during the emergency and recovery phases of this effort, of which Honduras received about half. Moreover, an additional \$12.27 million in dollar resources and \$8 million in local currency funds were re-programmed from the ongoing assistance program for immediate relief and reconstruction.

## **Other Donors**

During the May 25–28, 1999, consultative meetings in Stockholm, Sweden, bilateral and multilateral donors pledged over \$10 billion for Hurricane Mitch disaster assistance to Central America. Their pledges include emergency/humanitarian, reprogrammed, balance of payments/debt relief, the reconstruction and other unspecified assistance. Of the total amount pledged, approximately \$2.8 billion was designated to support emergency and hurricane reconstruction in Honduras. The pledging donors include the Inter American Development Bank (IDB) for \$730 million, the International Bank for Reconstruction and Development (IBRD or WB) for \$702.4 million, the World Food Program (WFP) for \$81 million, the European Commission (EC) for \$142.9 million, France for \$33 million, Germany for \$72.4 million, Italy for \$66.5 million, Japan for \$62 million, the Netherlands for \$28.9 million, Mexico for \$13.0 million, Spain for \$268.5 million, Sweden for \$99 million, Switzerland for \$14.9 million, and Taipei (China) for \$18.8 million.

## **Economic Reactivation (\$116.6 Million)**

Under the reconstruction, USAID developed a program to rehabilitate and upgrade secondary and tertiary roads (some 2,000 kilometers of farm-to-market roads) and associated bridges (1,400 linear meters of two-lane concrete bridges/fords) to repair paved roads (30 kilometers - as needed), and to cobblestone urban streets (20 kilometers). This activity is being undertaken in the six most-affected departments, covering about one-third of the country.

USAID also is allocating funds to transfer agricultural technologies, to re-capitalize existing micro finance institutions and other financial intermediaries in order to provide credit for small and medium-sized farmers, and small and medium-sized productive enterprises, and to expand the availability of medium-term credit through commercial lending institutions.

To help determine where to invest in flood control infrastructure, U.S. Government interagency teams are analyzing key watersheds and river basins to determine the agricultural land most vulnerable to potential future flooding. This effort provides the basic information needed by the GOH, private businesses, and other donors to rebuild infrastructure to specifications that will withstand future floods.

## **Rebuilding Roads and Bridges**

In July 1999, USAID obligated \$50 million for road and rehabilitation activities. The Honduran Social Investment Fund (FHIS) is implementing this activity and will subcontract with private sector firms for the design and construction work. Project

staff have been hired and additional accountability procedures have been put in place. Currently, field assessments of roads and associated bridges are being conducted to determine project priorities. This work was contracted in November and December 1999, and initial construction is scheduled to begin in late January to mid-February 2000.

### **Economic Activity Reactivated – Credit and Agriculture Technology Transfer**

Of the total \$59 million designated for economic reactivation activities, \$39 million was obligated on August 31, 1999, the remaining \$20 million for the commercial credit program currently is being reviewed by U.S. Congressional staff. Within the above stated amount for agriculture technology transfer, and small and medium producer and farmer credit program, unsolicited NGO proposals have been received totaling more than \$20 million. Awards were signed with Zamorano, FHIA, and ACDI/FINACCOOP in late October for over \$14 million. Design work is complete for the new \$19.5 million program for Medium-Term Credit Expansion to Small and Medium-sized Farms and Businesses.

Using reprogrammed funds, almost \$3 million has been awarded to existing micro-finance institutions to help small and micro entrepreneurs re-capitalize their businesses. Between April and September 1999, these institutions have provided 8,465 loans to micro-entrepreneurs. As a result, these microentrepreneurs, whose livelihoods were destroyed by Hurricane Mitch, are back in business.

Immediately after Mitch, using jointly programmed local currency, USAID and the Ministry of Agriculture's Dirección de Ciencia y Tecnología Agropecuaria (DICTA) provided seeds and credit to purchase other inputs to small grain producers who were left with no resources. The resulting "second harvest" helped keep overall production of corn and beans near normal.

An emergency OFDA grant allowed the Honduran Foundation for Agricultural Investigation (FHIA) to plant some 20 hectares of plantain seed beds, which are expected to yield some 1,000 hectares of urgently needed plantain seedlings, for the first planting in the year 2000. Over 500 poor farmers -- along the north coast in the Mosquitia, and in the departments of Cortés, Yoro and Olancha -- will benefit.

An additional emergency OFDA grant to FHIA provided the resources needed for the distribution of coconut and cassava seeds to growers throughout Honduras. One of the groups to benefit from this program was the Garífuna community living along the northern coast of the country.

With another emergency OFDA grant, the Zamorano Agricultural planted some 69.5 hectares of Tio Canela red bean seeds, a high yield, pest resistant variety to replace bean seed lost in Hurricane Mitch. Harvesting began in April 1999 and was distributed to growers through NGOs for the May 1999 planting season.

Unsolicited proposals from Zamorano and FHIA for \$5.9 million and \$3.16 million, respectively, were awarded on October 29, 1999. Dairy and horticulture solicitations were approved and are being advertised for award in January or February of 2000.



## **Public Health Protected (\$85 Million)**

USAID is assisting the Honduran National Water Authority (SANAA) to repair or rebuild 1,469 damaged or destroyed rural water supply and sanitation systems. The completion of this activity ensures access to safe water and sanitation systems for about 60 percent of Honduras' rural families. USAID also is working with the Honduran Social Investment Fund (FHIS) to rehabilitate and reconstruct 25 major water systems and 35 sewage systems in secondary cities and small towns throughout the country and with SANAA to repair water systems in an additional 33 urban communities. As part of a broader effort to improve health services in Mitch-affected areas, USAID is funding the repair of some five health centers or other health-related facilities damaged or destroyed by the hurricane, and is replacing supplies and equipment in 41 damaged or destroyed facilities that have already been rebuilt.

## **Rehabilitation of Rural Water and Sanitation Systems**

Using emergency funds, some 413 water systems were rehabilitated through grants to seven non government organizations (NGOs).

On September 30, 1999, \$7 million in reconstruction assistance was obligated to rehabilitate 1,469 rural water supply and sanitation systems and restore the water and sanitation systems of 700,000 rural residents. The funds were then available for use by SANAA, the implementing agency. A contract with a firm to manage disbursements and accounting of these funds was completed in mid December.

The \$7 million described above, plus \$3 million allocated to the umbrella NGO program for rural water and sanitation programs, and \$5 million in reprogrammed child survival funds, combine for a total investment of \$15 million in rural water and sanitation.

Emergency repairs were made to restore water to 75 percent of Tegucigalpa's population and in 37 other cities by the National Water and Sanitation Authority (SANAA) within three weeks after the hurricane, using emergency and local currency resources.

Within six months after Hurricane Mitch, the Honduran Social Investment Fund (FHIS) restored approximately 138 water systems, benefiting 637,554 people in 62 municipalities, using emergency and local currency resources.

Using reprogrammed funds, FHIS began the preparation of design documentation for infrastructure in Choluteca, Sonaguera, Trujillo, Puerto Cortes, these designs were completed in late November. A first round of prequalification for construction contractors was completed. Bidding and contracting is underway and construction should begin immediately thereafter.

A \$75 million activity was obligated on August 16, 1999. It is designed to rehabilitate and expand 25 municipal water and 35 municipal sanitary system, repair 33 urban water systems operated by SANAA, and construct 10 new water and sanitation systems for new housing development in post-Mitch resettlement communities. Under this activity, FHIS and SANAA have arrangements similar to umbrella grant/contract agreements, and will subcontract with private firms to design and construct the infrastructure.

Sub-contracting through FHIS for more than \$5 million in design work that is now already underway should be completed by the end of January 2000. This will complete design work for construction of major urban water and sanitation infrastructure, the designs are expected to be finished by June 30, 2000. Construction should begin shortly after designs are completed.

A \$1 million Participating Agency Support Agreement (PASA) with the U.S. Army Corps of Engineers to provide technical assistance on all aspects of the urban water, sewage, and drainage activities is expected by early December.

### **Developing Permanent Housing for Displaced Families (\$18 Million)**

USAID/Honduras, working in tandem with municipalities, is providing funds for transitional and temporary shelters that will house an estimated 2,500 families displaced by the hurricane and will finance development of permanent housing for 2,800 families. Additionally, USAID helps assure that basic infrastructure and community development services are provided for the resettled areas.

Using an emergency OFDA grant, the International Office for Migration (IOM) built and is administering transitional shelters for 4,000 families (approximately 20,000 people) throughout Honduras. Emergency start-up kits were provided to each family.

Using an emergency OFDA grant, some 1,400 temporary shelters and latrines for approximately 7,000 people have been built by the Cooperative Housing Foundation (CHF). In addition, some 7,300 homes were repaired or rebuilt, mostly in small communities or rural areas by seven non-governmental organizations (NGOs) benefiting some 36,000 people.

An agreement for \$18 million in supplemental funds to finance the development of transitional and permanent housing for displaced families was signed with the Government of Honduras on August 16, 1999. Using funds previously obligated for the Municipal Development project, the USAID Mission contracted the Centro de Diseño, Arquitectura, y Construcción on September 24, 1999, to analyze housing needs, assess progress in the sector, and monitor activities underway. Follow-on agreements with the IOM to extend and expand transitional shelter activities and a follow-on activity with the Community Housing Foundation for temporary shelters were signed on September 29, 1999.

USAID's Office of Transition Initiatives is funding permanent housing solutions for those individuals living in shelters in Tegucigalpa. Through OTI transitional grant funds to the International Organization for Migration, a housing voucher program was established to provide a \$600 subsidy per household. This subsidy is being used by NGOs and municipalities to resettle families now in transitional shelters in Tegucigalpa. Some 2,000 families are receiving voucher assistance. Another five housing projects are receiving site-related assistance, e.g. equipment, cement, and roads opened.

Using OTI funds, IOM and NGOs are assuring that health, education and community development facilities were established in transitional and permanent housing developments. A census of high-risk areas in Tegucigalpa was conducted to identify housing needs. NGO proposals for permanent housing programs and a Request for Applications (RFA) for an umbrella grant mechanism to develop 2,800 permanent housing units and provide community development services to transitional and

newly settled permanent housing were advertised on the USAID website and other appropriate venues. An award to CHF of \$7.8 million to manage the grant program plus \$1.367 million for a direct CHF housing program was effective as of October 29, 1999. An additional \$4.6 million grant to Samaritan's Purse began October 29, 1999.

### **Developing Sites and Services for Dislocated Families**

Using reprogrammed funds, a relocation site was purchased for 650 families in El Progreso by the Honduran Municipalities Association (AMHON). Temporary water, sanitation, and drainage systems for some 4,000 households, at five large housing relocation sites in Choluteca, Trujillo, Sonaguera, Tocoa, and San Pedro Sula, are under construction. Ongoing FHIS efforts to construct permanent water, sanitation, and drainage systems for two housing relocation sites in La Ceiba and Choluteca will benefit some 500 families. Ten new water and sanitation systems for resettled populations are being developed to support permanent housing for displaced families.

### **Education Opportunities Improved (\$17.5 Million)**

USAID is financing the repair and rehabilitation of some 400 schools damaged by the hurricane or from prolonged use as shelters, and the cost of replacing lost and damaged supplies and equipment. USAID also is providing for the expansion of its distance learning program (EDUCATODOS). Additionally, USAID is financing the construction of 10 new vocational education facilities, the mobilization of new programs in those facilities, and help to selected poor rural students who want to enroll in these programs.

### **Replacing Damaged School Facilities and Meeting the Needs of Dislocated Students**

With emergency funding, CARE restored the operational capacity of three schools in Tegucigalpa that were used as shelters in time for regular school sessions. The design of the \$5 million school construction activity is underway, obligation of funds was made on December 23, 1999.

In September 1990, USAID obligated \$4.5 million program designed to establish 100 new EDUCATODOS centers for out-of-school youths and young adults, to produce additional distance learning materials for grades 7 through 9, to incorporate 50 additional private businesses and 25 NGOs into the network, and to increase, by 100, the number of schools and education centers using distance learning methods.

USAID is undertaking a \$7.9 million activity to facilitate the rapid construction of 10 vocational education centers and NGO management of these centers. The scope of work is completed, the activity was advertised and the date for projected award is early February 2000.

### **Improving Environmental Management and Disaster Mitigation (\$31 Million)**

USAID is working with 30 municipal associations to develop and implement management plans in the watersheds, totaling 350,000 hectares. The U.S. Geological Survey (USGS) is working with the Central American Technological University (UNITEC), a private institution, to develop a Geographic Information Service (GIS).

network in Honduras, linking academic, government, municipal, non-government organizations, and private sector users of geographic information

USAID is developing disaster preparedness plans in 40 secondary cities, conducting environmental risk mapping in at least 40 municipalities, and financing critical disaster mitigation infrastructure, e g , comprehensive storm drainage systems in 12 primary and secondary cities

### **Rehabilitating Key Watersheds**

In August 1999, USAID obligated an \$8 million activity designed to place 2,700 hectares under sustainable agricultural practices, bring 27,000 hectares under sustainable forest management practices, train officials from 30 municipalities in water management practices, and assist in Mitch-damaged areas with watersheds totaling 350,000 hectares to develop and implement management plans

### **The USAID-USGS Partnership**

Using reprogrammed funds, the USAID Mission in Honduras working through the United States Geological Survey (USGS) has done the following

- Acquired and compiled topographic maps, satellite imagery and aerial photography, and other important mapping products into a Geographic Information System (GIS) designed to assist with agricultural land reclamation, infrastructure construction, hazard assessment, and disaster mitigation efforts throughout Honduras
- Measured and calculated peak discharge (flow rates) during Hurricane Mitch of 14 key rivers for use in developing construction specifications and flood risk maps
- Produced an inventory of landslide risks and developed a landslide risk map for Tegucigalpa to help the municipality and its citizens in disaster preparedness and urban planning
- Delineated flood inundation areas for Tegucigalpa and Choluteca
- In coordination with other U S Government agencies -- USAID, U S Army Corps of Engineers (ACE), U S Department of Agriculture (USDA), conducted on-the-ground assessments of damaged infrastructure and croplands, and of the viability of housing relocation sites
- Conducted hazard assessments in the Reparto, Campo Cielo and Guillen communities in Tegucigalpa, where landslides occurred, and in other areas that may be at risk
- Installed three streamflow-monitoring stations on major rivers and tributaries above major population centers for flood warning and water management purposes, e g Rio Grande, Rio Guacerique, and Rio Choluteca The stations transmit river elevation and precipitation information to ground stations in a real-time manner, then the information is disseminated through the Internet USGS also is training counterpart agency staff in maintenance and methodologies to ensure information quality These monitoring stations were used during the recent flooding to monitor the need to evacuate populations in Tegucigalpa and Choluteca

With supplemental funds, USAID and the USGS installed one streamflow monitoring station on the Ulua River in the Sula Valley, close to major population centers for flood warning and water management purposes The station performs in the same manner as noted above This monitoring station was used during the recent

flooding to manage releases of water from the El Cajon dam to minimize impact on downstream populations

Supplemental funds also helped establish a data distribution center, to be available to GOH, USG agencies, NGOs, municipal and private sector enterprises, on the campus of UNITEC. The \$2 million USAID effort was obligated on September 30, 1999. The activity is designed to expand the GIS network to 40 users sharing information for land use planning, river system characterization, watershed and river basin management, infrastructure design and disaster mitigation. Also, 40 flood, 30 landslide and 15 flood risk maps will be developed and disseminated to 40 national and local government and NGO representatives. Additionally, three watershed management mapping products will be developed and disseminated, 23 stream-flow gauges will be installed or upgraded, and four environmental assessments and reports will be developed and disseminated. Of the \$2 million, UNITEC will receive a \$1.55 million grant.

### **Disaster Preparedness for the Future**

Using emergency and reprogrammed funds, USAID assisted in the reestablishment of the Comisionado Permanente de Contingencias (COPECO) as an emergency coordinating entity working with local governments, NGOs, and the private sector. In the recent flooding disaster, COPECO has been very effective in managing and coordinating resources. Emergency funds contributed to the establishment of COPECO's Emergency Operations Center and to initial disaster preparedness training for municipal officials.

Two awards for cooperative agreements including \$2 million for disaster preparedness activities are anticipated in February to Fundacion para el Desarrollo Municipal (FUNDEMUN) and UNITEC. The activities are designed to assist 40 municipalities develop disaster preparedness plans, train local officials and community leaders in disaster preparedness, and develop dependable communications for disaster management.

### **Building a Municipal Disaster Mitigation Infrastructure**

This \$19 million activity was obligated and is available to the implementing entity (FHIS) for the establishment of 12 comprehensive municipal storm drainage systems. The design and contracting for storm drainage infrastructure are occurring simultaneously with municipal water and sanitation design and contracting managed by FHIS. Bidding and contracting will begin in late November and construction should begin by late January for projects with completed designs.

### **Municipal Development (\$3 Million)**

USAID is assisting municipalities in restoring their local income generating capacity to pre-Mitch levels through the provision of technical assistance in areas ranging from fiscal management to improving administration. Municipalities also are receiving assistance in modernizing their accounting systems such that accountability and transparency are assured. Additionally, USAID will support the development of urban strategies in 15 secondary cities designed to support better long term land use and planning.

Using supplemental resources, over cooperative agreements with USAID's key partner NGOs in municipal development – FUNDEMUN, UNITEC, and AMHON – are

being negotiated to provide over \$2.2 million to assist in Mitch-related activities such as financial recovery, urban planning, development of 40 secondary cities urban disaster mitigation plans. These cooperative agreements are projected to be completed by January 31, 2000. Technical assistance and training are already underway through these organizations financed by reprogrammed funds.

With reprogrammed funds, FUNDEMUN is providing technical assistance to municipal officials focused on restoring pre-Mitch income-producing capacity, at least, to 35 municipalities. AMHON's lobbying was successful, gaining central government agreement to provide \$7 million for municipal-managed projects.

### **Transparency and Accountability (\$5 Million)**

The Inter American Development Bank (IDB) is establishing an independent oversight mechanism, in collaboration with other donors, to monitor the hurricane reconstruction program, and to review the day-to-day implementation of the Government of Honduras' reconstruction operations. USAID also is facilitating the participation of civil society in the reconstruction process. Additionally, USAID is supporting a strengthened Controller General that is better able to implement its constitutional responsibility for conducting post and concurrent audits.

### **Establishing Independent Donor Oversight Mechanisms in Major GOH Implementing Entities**

USAID will provide an estimated \$2.5 million to this multi-donor effort. USAID is working closely with the Inter American Development Bank (IDB) and other donors to develop transparent and accountable procurement and management systems designed to oversee the Honduran reconstruction effort. The oversight firms will be producing regular independent reports and monitoring procurement and reconstruction implementation for GOH and donor activities. Five donor countries – Sweden, Spain, Germany, Canada and the U.S. – known as the "Group of 5", endorsed the IDB program. The program consists of activities to: 1) address issues related to systemic procurement reform by providing training and establishing an efficient and transparent management processes, and 2) strengthen monitoring and oversight of reconstruction funds from all sources.

### **Strengthening the Office of the Controller General**

Using reprogrammed funds, USAID has been working to augment the Controller General's staff and assure adequate audit coverage of reconstruction activities.

Under an estimated \$2 million supplemental-funded activity, three internationally recognized major auditing firms are strengthening and augmenting the GOH's Controller General, and assisting it in ensuring transparency and effective implementation of the reconstruction program.

### **Increased Civil Society Oversight of Reconstruction Activities**

An estimated \$500,000 activity is under design to ensure that civil society is actively involved in oversight of the reconstruction. USAID is working with the GOH to ensure civil society's involvement and is undertaking an assessment to determine role in strengthening civil society's participation in the Honduras reconstruction program. The GOH has been supportive of USAID's efforts. Recently, the GOH created a civil society commission to serve as the principal link between civil soci-

ety and the GOH on reconstruction issues. Additionally, the GOH shared its August 20th publication, "Advances in the National Reconstruction and Transformation", with civil society groups and the Group of 5 to solicit comments and reactions.

**Community-Based Non-Governmental Organization (NGO) Programs (\$14.9 Million)**

This \$14.9 million activity is an umbrella funding mechanism that is designed to streamline the provision and management of multi-sector community-based NGO grants. It was obligated on September 30, 1999.

## NICARAGUA

### Hurricane Relief and Reconstruction Nicaragua

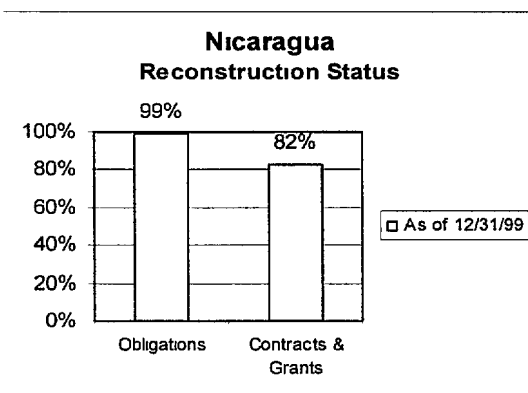
RELIEF	Through 12/31/99	
	OBLIGATIONS	EXPENDITURES
OFDA FUNDS	5 830 900	3 710 000
OTI FUNDS	-	-
DA & CS REPROGRAMMED	23,760 000	8 677 000
EMERGENCY FOOD AID	13 609 000	13,069,000
MONETIZED FOOD AID	-	-
RECONSTRUCTION	CONTRACTS & GRANTS	
	OBLIGATIONS	EXPENDITURES
CACEDRF	93,108,000	77 551,681
CHILD SURVIVAL SUPPLEMENTAL	5 000,000	-
SUPPLEMENTAL OPERATING EXPENSES	859,000	462 000
<b>TOTAL</b>	<b>142 166,900</b>	<b>77 551 681</b>

\* Includes \$16.6 million in G/PHN contracts

### The Reconstruction Environment

Hurricane Mitch was the worst natural disaster in Nicaragua's history. An estimated 3,000 people died or are still missing. Eight hundred and seventy thousand people – 18 percent of the total population – were affected by the storm. Catastrophic floods in the northern Atlantic coastal area and in the provinces of Madriz, Nueva Segovia, Esteli, Jinotega, Matagalpa, Chinandega, Leon, Granada and Rivas, and landslides, caused unparalleled destruction.

The productive sector was particularly hard hit. An estimated 11,550 hectares were permanently destroyed. Another 308,000 hectares (25 percent of the country's total cropland) were seriously damaged. Potable water and wastewater systems serving an estimated 804,000 people suffered over \$560 million worth of damage. Ninety health centers and over 400 health posts were damaged. Over 500 primary schools were structurally damaged. Total damages are estimated at US \$1.5 billion – 70 percent of the 1998 Gross Domestic Product.



### The U.S. Government Contribution

Nicaragua received \$94.1 million in CACEDRF funds in support of Nicaragua's reconstruction efforts. This was in addition to \$13.1 million provided by the United States in emergency humanitarian relief immediately after the hurricane struck, and \$8.55 million provided for quick-response interventions in food, shelter, access roads, health, and education, redirected from existing USAID activities.



## **Other Donors**

Approximately \$1 billion was also pledged by bilateral donors to support hurricane reconstruction in Nicaragua. At the Consultative Group meeting in Stockholm in May 1999, pledges made by major donors were Spain (\$243.3 million), Germany (\$74.3 million), Sweden (\$64 million), Canada (\$250 million for all of Central America including Nicaragua), Denmark (\$146.1 million), France (\$81 million), and Japan (\$91.6 million). Under the IMF Economic Structural Adjustment Facility (ESAF) program, Nicaragua has been approved for entry into the Highly Indebted Poor Country Initiative (HIPC), which provides major debt relief conditioned on meeting certain policy changes.

## **Public Health Activities (\$25.1 Million CACEDRF and \$5 Million CS)**

USAID is restoring primary health care services in areas affected by Mitch. Emphasis is on health education, and focuses on malaria, dengue, cholera, leptospirosis and other infectious diseases. Damaged facilities are being repaired, new clinics built in re-settlement areas, and health services revitalized. USAID is providing technical assistance and support to Ministry of Health rural health centers and posts and will increase support to PVOs. Increased training and technical assistance are being provided to both private and public sectors. USAID is providing medical equipment and supplies and rebuilding and relocating health facilities.

USAID is rebuilding water and sanitation systems for small communities affected by Mitch that are unlikely to be served by larger systems planned by other donors. Simple water filters for purifying drinking water have been distributed to 39,000 families in the 20 municipalities most affected by Mitch, under the Agua para la Vida program.

The dirty standing water that became commonplace in the Mitch ravaged zones placed the rural population of Nicaragua in peril of insect-transmitted diseases. USAID distributed 58,000 mosquito nets to combat malaria and dengue. This effort was especially beneficial to pregnant women and small children who were more vulnerable to serious illnesses, such as malaria and dengue. The families received free mosquito nets impregnated with permethrine, an approved chemical compound that both repels and kills insects.

Before Mitch rains had ceased to fall, USAID was working with private voluntary organizations to begin an emergency feeding program for those affected by the storm. More than 20,000 metric tons of food aid was distributed with the assistance of ADRA, Save the Children and Project Concern International.

With additional funding from OFDA, several non-governmental organizations implemented food-for-work programs. As a result, rural access roads were opened and water wells and sanitation systems in small communities rehabilitated. More importantly, the food distribution was accompanied by the dissemination of health messages that helped prevent outbreaks of diseases that could have been a double blow for the Mitch survivors. Also, USAID worked closely with the U.S. Army New Horizons program on construction of health facilities and schools for Mitch-affected populations.

As of October 31, 1999, some \$17 million had been made available to American and Nicaraguan entities to implement the health programs described above. Their offices are running, and their annual strategies are approved to work hand in hand.

with local NGOs and municipal and national government partners. Details of these grants, cooperative agreements, and contracts follow.

- Management Sciences for Health has been awarded a \$2 million grant to work with three PVOs, helping 47 local health units become fully functional.
- The PVO/NGO Networks for Health is one of USAID's principal health mechanisms for giving smaller sub-grants to NGOs working in Mitch-affected areas. This will help to meet program objectives, to ensure coordination among PVOs, and to share common resources e.g., technical assistance and training. The network includes Care, Save the Children, ADRA, PCI, Project HOPE, Partners of the Americas, CRS/Caritas, Plan International, and Alistar.
- A grant for \$15 million signed in September 1999 with Commercial Market Strategies (CMS) encourages private sector participation in delivering health services, through the creation of six to eight franchised, largely self-financing private sector clinics. The private clinics will provide high-quality, low cost, preventive and curative care to approximately 240,000 Nicaraguans in Mitch-affected areas. Activities include construction/reconstruction of clinics, purchase of equipment, clinic operating costs, marketing, management, and technical assistance.
- A \$2 million grant was signed in September with Johns Hopkins University's Center for Population Communication Services to communicate health messages to Mitch-affected areas. Women and children are at greater risk for health problems in Mitch-affected areas. Behavior change and improvement in health practices are priorities in these communities. The campaign will also be aimed at increasing the use of health services. Another \$1.2 million grant signed with JHU will assist in a campaign to change personal and community hygiene practices to take advantage of the clean water, latrines and basic sanitation systems that are being built in Mitch-affected areas.
- A \$900,000 grant signed with MEASURE will assist USAID/Nicaragua in the monitoring and evaluation of post-hurricane Mitch recovery efforts in the health sector.
- An \$800,000 grant was signed in September with BASICS to provide technical assistance to the Ministry of Health as well as PVOs in implementing integrated management of childhood illnesses (IMCI).
- A \$1.3 million cooperative agreement was signed with Quality Assurances Inc. in September 1999 to improve the quality of services provided by both public and private sector sectors in Mitch-affected areas, with particular focus on obstetrics in high-risk municipalities.
- Other grants totaling \$600,000 were signed in September and are providing technical support to restore fully functioning health centers, food security, and nutrition.
- EHP Inc. (Environmental Health Project) was awarded \$9.5 million to implement a project to supply water, sanitation and hygiene education technical assistance to Mitch-affected areas in Nicaragua. The work will be carried out by various NGOs/PVOs, and will increase sustainable water supply and sanitation services for up to 100,000 people in the hurricane-affected areas. Only 40 percent of the Nicaraguan rural population have access to clean water. This need is even greater in rural communities affected by Mitch. The construction of deep wells, latrines, and basic sanitation systems will contribute substantially to preventing outbreaks of water-borne diseases and will encourage partnerships with indigenous community organizations. PVOs/NGOs have submitted proposals, and are expected to receive funding for their proposals early next year. Also, USAID issued a \$1 million cooperative agreement to John Hopkins Univer

sity to develop a national campaign strategy to foster improve the use and maintenance of basic water and sanitation infrastructure

### **Economic Reactivation (\$52.9 Million)**

USAID is helping approximately 100,000-farm households recover from Hurricane Mitch. As of mid-January, 2000, USAID/Nicaragua has committed 79 percent of the funding that it has received for economic reactivation. The bulk of these funds has been awarded through grants to U.S. private voluntary organizations that have substantial experience in Nicaragua. The grantees include CARE, Catholic Relief Services, World Relief, the Cooperative League of the U.S.A., Save the Children, Project Concern International, and ADRA. Six grants, totaling \$2 million, have been awarded for micro-enterprise lending. To supplement these grants, USAID has signed Participating Agency Service Agreements (PASAs) with the U.S. Department of Agriculture (for support in agriculture reactivation and watershed management) and the National Oceanic and Atmospheric Administration (to assist in the recovery of the economically important shrimp industry). In addition, a \$5 million contract has been signed to procure assistance in the agriculture sector, and another \$3 million in contracts are planned.

These organizations will use USAID funding to implement a variety of reconstruction programs, including the provision of agricultural inputs and technical assistance to farmers, the repair of farm to market roads, the protection of watersheds, and the reclamation of cropland damaged by Mitch. World Relief and Catholic Relief Services, for example, are providing farmers with improved seeds, basic agricultural tools, and other agricultural inputs, and working with them to introduce and promote environmentally sustainable soil and water conservation practices. USAID funding has enabled CARE to assist survivors from the two villages wiped out by the Casitas volcano mudslide to jointly cultivate a 70 hectare parcel of land outside of the town of Posoltega. Currently, some 350 families are benefiting from this effort, but the program will be expanded to ultimately reach 2,000 families from the region.

To restore community infrastructure, the United States is providing approximately 24,125 MT of food for Food for Work activities through the World Food Program and U.S. PVOs. USAID is working with a number of U.S. PVOs to repair vital infrastructure, such as farm-to-market roads, small bridges, levees, and drainage canals. Of particular importance is the \$8.3 million cash-for-work program being implemented by CARE to repair farm-to-market roads in the departments of Estelí and Matagalpa. This program will provide cash stipends to over 20,000 people and repair approximately 700 kilometers of roads.

As noted above, USAID has also awarded \$2 million in grants to six Nicaraguan microfinance lending institutions to enable them to recapitalize their loan portfolios and extend new loans, especially to women in Mitch-affected areas. As of December 31, 1999, \$631,468 was disbursed as loans to small entrepreneurs. At an average loan size of \$300, this would translate into approximately 1,200 beneficiaries. An additional \$1 million was made available to the International Development Bank Micro-enterprise Recovery Fund to stabilize Nicaragua's credit unions.

### **Disaster Mitigation and Environmental Activities (\$6.6 Million)**

Hurricane Mitch destroyed 71 bridges and damaged 70 percent of the nation's primary and secondary roads. Since this damage hampered efforts to provide

relief, it became a priority to re establish the major arteries of communication with the affected communities. USG-funded repairs included road resurfacing, repair of small bridges, repair or reconstruction of culverts and the construction of retention walls and embankments. USAID signed a \$2 million agreement with the U.S. Army Corps of Engineers and a \$1.5 million agreement with USDA to implement and oversee these repairs.

#### **A Success Story - Levee Repaired, Flood Averted**

The Cooperative League of the USA (CLUSA), with USAID funds, provided the tools and engineering expertise that enabled the rural community of Apacuna to repair a broken levee. This prevented extensive flooding of farmland and homes. The levee was completed days before arrival of the fall rains. During one particularly intense period of storms, the river rose high, yet the levee held.

To reduce the risks of future hazards that result from natural disasters, such as the flooding and landslides caused by Mitch, it is critical to prevent further erosion of soil and to increase the water-retaining capacity of key watersheds. Until longer-term reforestation programs can be completed, hillsides and slopes must be stabilized now by sowing ground cover. CLUSA also assisted the community sow vetiver grass and plant sesame to prevent erosion.

Emergency watershed experts from the U.S. Department of Agriculture (USDA) provided assistance to the GON in the identification of sites where there is an immediate danger to lives and property ("exigencies") from renewed flooding and landslides. USAID is supporting an expansion of these efforts and will provide training to GON engineers in the identification of exigencies and the design of remediation efforts. Training in disaster preparedness is being provided to local community groups, municipal officials, and/or schools.

The Build Hope and New Horizons humanitarian assistance programs executed by the U.S. Armed Forces were important elements of the relief and reconstruction efforts in the hardest-hit northern towns. Approximately 1,700 U.S. military personnel worked alongside the Nicaraguan military. They built a medical clinic, repaired another, rehabilitated 125 kilometers of roadway, installed more than 25 culvert crossings, attended more than 4,000 patients and transported more than 680 tons of humanitarian aid via

aircraft. USAID facilitated the work of the troops by mobilizing community-based contacts and resources on a local level.

Hurricane Mitch claimed the lives of more than 2,000 people in the municipality of Posoltega, when torrential rains triggered a mudslide down the slopes of the Casita volcano, burying two entire villages. Debris from the mudslide choked river beds and changed watercourses. USAID brought in a team from the National Resources Conservation Service in the U.S. Department of Agriculture (NRCS/USDA) to identify sites in the Posoltega watershed that posed a high risk of flooding. In particular, the team identified six critical problem areas, situations that could create an immediate threat to loss of life or property if not mitigated. The most serious threat was the likelihood that, because of the silting up of the channel, the Posoltega River would overflow and inundate the town of Posoltega itself as soon as the rains returned.

USAID collaborated with the GON to reprogram PL 480 Title I funds to repair the six sites. All construction was completed by September 1999. While there was no se

rious flooding of Posoltega, heavy rains did damage a portion of one of the dikes protecting the town. USAID, therefore, mobilized additional resources to design, fund and oversee the repairs, which were completed in mid-November 1999. The experience with the dike breach has demonstrated the need for better training of Nicaraguan engineers in hydrological engineering. USAID is, therefore, building this type of training into its program.

### **Schools (\$4.5 million)**

Hurricane Mitch affected some 400,000 elementary school students, almost half of Nicaragua's elementary school population. While many schools were badly damaged or destroyed, others were used as refugee centers for months in some cases--causing further damage to school structures and sanitation facilities. Thousands of school desks and chairs were lost, and instructional materials and supplies destroyed.

In the aftermath of Mitch, some 600 provisional classrooms including "tent schools" (open air structures covered with canvas or plastic sheeting) were set up as a stop-gap measure in affected areas. USAID transported 3,000 pounds of donated school supplies to five of these tent schools in Posoltega during President Clinton's visit in March 1999. USAID also coordinated with the U.S. Army New Horizons program in the rehabilitation of two schools.

USAID has awarded \$4.5 million to a U.S. PVO, Academy for Educational Development, for an Education Recovery Component (ERC) designed to reach the poorest schools in the most severely affected areas, including the Rio Coco river system, Posoltega and the Nueva Vida resettlement area in Managua. Under the ERC:

- at least 570 Mitch affected classrooms will be restocked with school supplies, instructional materials and basic classroom equipment, as well as re-furnished with school desks and chairs constructed by NGOs and community members,
- access to learning materials will be increased by establishing 25 resource and outreach centers near clusters of Mitch affected schools equipped with small

### **Nueva Vida - Learning by Doing**

When Hurricane Mitch rains raised the waters of Lake Managua to record levels, it forced the resettlement of more than 1,000 families to an arid, empty lot outside of the capital, near Ciudad Sandino, known as Nueva Vida (New Life).

The challenge was to make this cluster of humanity a functional and viable urban community, whose inhabitants live at the edge of poverty. With \$85,000 of USAID funds, a partnership was formed between USAID, the municipal government of Managua, and two local NGOs, Fundación Nicaragua Nuestra (FNN), Centro Pro Desarrollo Socio Económico Creativo (CEDESEC). Under the Apprender Haciendo (Learning by Doing) project, idle at-risk young men and women ages 16-22 learn basic aspects of housing construction, plumbing and electrical wiring. They are building houses for Nueva Vida residents who are not able to participate in the self-building initiatives. Hurricane Mitch battered the already fragile structure of the families relocated to Nueva Vida.

In a community where women head more than 85 percent of households, the future of Nueva Vida is intrinsically related to their success in providing for their families. Apprender Haciendo also trains women in dress making, utilizing industrial sewing machines. The goal is to empower participants with the technical skills to seek future employment and an opportunity to become self-sufficient and break the cycle of poverty.

- lending libraries, basic equipment and expendable supplies for use by teachers and community members,
- teachers will be trained on how to counsel traumatized students with special needs in Posoltega, where the mudslide left many children orphaned, and in Nueva Vida, where many students are at high risk for desertion, alcohol/drug use and gang involvement. Nueva Vida students will also be provided with practical, after-school work and learning alternatives that respond to the needs and capabilities of the community.

### **Local Governments (\$4 million)**

USAID is focusing assistance on small to medium-sized municipalities in the most severely affected areas of Nicaragua to repair basic infrastructure works key to restoring services to citizens.

#### **Civil Society's Key Role in Reconstruction Plan**

Civil society groups made substantial contributions to the National Emergency and Reconstruction Commissions formed after Hurricane Mitch. They continue demonstrating their coordinating and planning capabilities through NGO networks like the Coordinadora Civil para la Emergencia y la Reconstrucción. The Coordinadora has been directly involved in development of the National Reconstruction Plan. USAID partners such as Fundación Nicaragua Nuestra, Fundación Puntos de Encuentro and Centro de Pro Desarrollo Socio Económico Creativo (CEDESEC) have pivotal roles in the work of the Coordinadora. Nicaraguan civil society non-governmental organizations (NGOs) are growing in number and importance. USAID-supported NGOs are taking the lead in organizing other NGOs to address issues of mutual interest more effectively with central and local government.

Natural disasters of this magnitude provide a unique opportunity to conduct medium and long lasting urban and rural planning. USAID is assisting municipal governments to direct reconstruction efforts in their municipalities, promoting local municipal self reliance. The Municipal Autonomy and Development Project has been extended to cover Mitch-affected communities to implement small scale infrastructure projects. A total of 22 municipalities in seven departments (Esteli, Madriz, Nueva Segovia, Leon, Chinandega, Matagalpa, and Managua) will receive funding and

technical assistance under a \$3.57 million agreement with PADCO to implement this project. Repair work on the dike in Posoltega (see Disaster Mitigation section) totaling \$335,000 was completed in November, and was financed with Mitch reconstruction funds. Additional projects to repair municipal infrastructure, amounting to over \$334,000, were initiated in January 2000. In Matagalpa, a containment wall for the Rio Grande is currently being repaired. In Tipitapa, a street re-paving project has been started.

### **Transparent Systems of Accountability (\$1 Million)**

USAID is working with the GON, IDB and the World Bank to provide a coordinated assistance package to ensure transparency in the use of disaster funds, anticorruption measures, and full accountability for Mitch-related resources and regular GON programs. As of this writing, the most promising proposal under discussion with the GON is a broad Procurement Reform program that would include: 1) training,

2) a project inspection unit (which would have oversight of reconstruction projects, both donor- and GON-funded), 3) technical assistance to GON agencies to improve their procurement and implementation capability, and 4) long-term procurement reform

The United States and other donors are encouraging the GON to designate an oversight committee that would function as a transparency clearing house, with representatives of the National Integrity Committee, civil society and the Contraloría General. USAID funds would be available to provide technical assistance to such a structure. The goal is to create and institutionalize the capacity within the GON to: a) maintain, and make publicly available, an inventory of all independent audit/oversight work taking place with respect to GON activities, whether donor financed or otherwise, b) identify gaps in coverage, c) when judged appropriate, initiate, with donor or GON financing, concurrent external audits of such gaps, without compromising the ex-post audit authority of the Contraloría General, and d) monitor compliance with audit recommendations and make publicly available the information obtained.

Negotiations and discussions on how to program the \$1 million that USAID has available for these objectives continue. The \$1 million will be in addition to an ongoing \$12 million project to facilitate an integrated and transparent system of financial management in the GON that is jointly financed by USAID, the World Bank, and the Inter-American Development Bank. Also under the Agency's on-going development assistance program, USAID has a \$3.9 million agreement with Casals & Associates that in addition to other components to strengthen civil society, assists with accounting modules and improved audit capability in the Contraloría General and Finanzas.

#### **Major Partners:**

Health Sector	Management Sciences for Health Camp, Dresser, and McKee International, Inc Save the Children/CARE Johns Hopkins University
Economic Reactivation	Cooperative League of the USA Catholic Relief Services World Relief CARE Project Concern International ADRA U.S. National Oceanic and Atmospheric Administration
Disaster Mitigation	U.S. Department of Agriculture U.S. Army Corps of Engineers
Schools	Academy for Education Development
Local Government	Emergency Social Investment Fund (FISE)

## **COSTA RICA**

### **Supplemental CACEDRF    \$ 5 0 million**

Via CDC	\$ 1 0 million
Via PAHO	\$ 1 5 million
<b>TOTAL</b>	<b>\$ 7 5 million</b>

### **The Reconstruction Environment**

According to the United Nations Economic Commission for Latin America and the Caribbean's (ECLAC) damage assessment, Costa Rica experienced about \$100 million in damage from Hurricane Mitch. Its social and transportation infrastructure, productive sectors and the environment were impacted. Overall damage, however, was substantially less than the other Mitch affected countries.

However, Costa Rica felt the impact of Hurricane Mitch as a result of the migration of 60,000 Nicaraguans to Costa Rica. The total number of Nicaraguan immigrants living in Costa Rica now ranges from 350,000 to 600,000. Moreover, an International Organization for Migration (IOM) study suggests that the absorptive capacity of Costa Rican institutions to handle the immigrants is reaching its upward bounds.

In response, the Government of Costa Rica developed a \$90 million program, \$38 million would come from the international donor community and the remainder would come from its own coffers. The primary objective was to contribute to the improvement of living conditions of the socially excluded immigrant population in Costa Rica through an integrated program providing for interventions in education, employment, health, and housing in 21 areas of the country that have a high incidence of immigration.

### **The U.S. Government Contribution**

USAID asked USG partner agencies to identify those reconstruction activities under their programs that could assist Costa Rica. As a result, \$2.5 million in health activities, conducted by HHS/CDC and by PAHO, will be carried out in Costa Rica and targeted at improving Costa Rica's ability to respond to the health needs of these communities.

USAID worked closely with the Office of Management and Budget to identify another \$5 million for high priority activities identified in the Government of Costa Rica's proposal. In October, a USAID programming team visited Costa Rica and, working with appropriate GOCR officials and representatives from the International Organization of Migration, the team developed a set of activities designed to assist the education sector.

### **Easing the Burden on Costa Rica's Schools**

The activities include expansion of the number of classrooms in selected disadvantaged schools, supplying textbooks and innovative teaching materials oriented



toward immigrant children and their special needs, in service teacher training to better prepare teachers to deal with issues related to the immigrants, adult education programs in literacy, numeracy, health, hygiene, and civic education especially for parents of disadvantaged migrant children. USAID will seek the commitment from the GOCR to make available the requisite teachers and furniture.

The program will build or rehabilitate about 225 classrooms, 45 dining rooms, and 32 sanitary units to address the needs of about 15,000 children. The program will provide a full complement of five textbooks for each of the targeted 15,000 children as well as additional learning materials for disadvantaged students with special learning needs. The program will provide for in service training for 2,600 teaching staff to address the problems of the immigrant population. And about 5,000 illiterate parents would receive literacy, health, and civics training. These data on program outputs are based on a preliminary assessment provided by the Ministry of Education.

## CENTRAL AMERICA REGIONAL ACTIVITIES

### **CACEDRF FUNDING**

G-CAP (Guatemala)	
Watershed Management	\$4 0 million
Regional Road System	\$ 5 million
Global/Regional (Washington)	
Decentralization and Local Government	\$ 75 million
Energy	\$4 0 million
Public Health	\$ 75 million
Program Management	\$ 5 million
<b>Total</b>	<b>\$10 5 million</b>

USAID has made available a total of \$10 5 million of supplemental funding for the G-CAP Regional Program. Of the total, \$4 5 million is directed to transnational watershed and road network issues, provided via the USAID mission in Guatemala, which manages the regional Central America Program or "CAP."

### **Framework Established for Sound Transnational Watershed Management**

USAID is putting in place the foundation for sound management and natural disaster mitigation in the Rio Lempa watershed, a hydrologic basin shared by Guatemala, Honduras and El Salvador. The immediate objectives are to develop an information system that supports mid-term watershed management planning and short-term disaster mitigation, to prepare a watershed and disaster mitigation plan and to develop an effective multinational institutional arrangement for watershed management and cross-border disaster mitigation. The Central American Integration System (SICA) has begun working with the United States Geological Survey (USGS) and the National Oceanic and Atmospheric Administration (NOAA). This partnership will enhance flood forecast and warning capabilities, develop flood and landslide risk maps, generate a Geographic Information System (GIS) for the watershed, establish the institutional arrangements for information exchange, improve capacity to use these technologies for timely decision making, and generate an agreement for shared watershed management.

The implementation mechanisms for this activity were in place as of September 30, 1999. USAID/G-CAP resources were transferred to NOAA (\$1 1 million) and USGS (\$900,000). These agencies work with the Central American Integration System (SICA) on the Rio Lempa watershed, which straddles Honduras, Guatemala, and El Salvador. To date USAID/G-CAP and SICA have organized two coordination meetings, one in El Salvador and the other in Honduras, between CRRH, CEPREDENAC, SICA's Environmental Directorate, NOAA, USGS and USAID/G-CAP. At the first of these, the agencies described the activities they were proposed to undertake and discussed the nature of relationships between them; in the second meeting, procedural steps were outlined. USAID/G-CAP and USAID/El Salvador have facilitated several meetings between USG agencies and national level institutions in Honduras, Guatemala and El Salvador.

NOAA and USGS are currently developing work plans. In late October, USAID/G CAP and SICA organized a meeting between the principal partners (Environmental Directorate, CRRH, CEPREDENAC, NOAA, USGS) to develop a SICA work plan that is functionally complementary and chronologically compatible with those of NOAA and USGS.

### **Regional Guidelines and Standards Developed to Reduce Road Network Vulnerability to Natural Disasters**

This activity supports SIECA in its role as Technical Secretariat of the Regional Council of Ministers on Transportation (COMITRAN, in Spanish) in addressing the effects of natural disasters on transportation infrastructure. The goal is to help reduce the vulnerability of the Central American Network of Regional Roadways to the various natural threats that continuously cause interruptions in the functioning of the approximately 6,000 kilometers of roads in five countries. The activity will develop standards and recommendations for roadway planning, design, construction, maintenance and operation that, once brought before COMITRAN, should produce resolutions with concrete actions for implementation throughout the region.

The implementation mechanisms necessary for this activity were signed on September 30, 1999. Through SIECA, COMITRAN will prepare a document establishing the vulnerability of the road network in the region, areas of focus for improvement and construction, and the complementarity of these actions with COMITRAN's scheduled projects. A regional meeting will be convened to discuss the document and to draw attention to the roadwork vulnerability issue. SIECA will also develop a scope of work for the conduct of a study to reduce roadway vulnerability, and select a contractor to implement the scope of work. A meeting to present findings to COMITRAN will be convened. Finally, an action plan will be developed and monitoring of follow through on recommendations will take place. None of the funds provided SIECA will be used for construction or roadway improvement.

### **Regional Assistance Program for Costa Rica**

In addition to these activities, G CAP will have management responsibility for USAID's effort in Costa Rica. These activities are described under the Country Program Description on page 36.

### **Washington-based Regional Reconstruction Activities**

Sustainable Energy	\$4.0 Million
Housing Finance	\$0.5 Million

### **Finance and Investment Assistance for Housing and Urban Infrastructure Reconstruction in Latin America and The Caribbean**

The Office of Urban Programs, along with its Regional Urban Development Office for Latin America (RUDO/LAC), has begun to implement a \$5 million special regional support program to help address both immediate and sustained housing and urban infrastructure reconstruction needs. The objectives of the program are three fold: 1) to assist the bilateral USAID missions with "integrating" new sustainable investment flows at the local community level where they and other USC agencies, other multilateral and bilateral donors, and local and international PVOs/NGOs are

working, 2) to assist the host countries and regional institutions to leverage both public, private and donor investment flows in housing and municipal infrastructure within the next two years, and 3) establish a regional shelter and urban infrastructure sector monitoring program for reconstruction results

The RUDO/LAC support will be implemented through several components designed to enhance the capacity of selected USAID missions, USC agencies and other donors to quickly and effectively implement their respective special objectives for hurricane/earthquake reconstruction

### **Reducing Energy-System Vulnerability and Promoting Climate-Friendly Energy for Economic Reactivation**

This \$4 million Hurricane Mitch Reconstruction Energy Initiative will promote environmentally sound, cost-effective energy development, especially for economic reactivation, and reduce energy system vulnerability to future disasters. Mechanisms to accomplish this may include but not be limited to financial tools, technology transfer, policy reforms, strengthened institutions, and modified practices

Based in large part on the USAID DOE Central America Energy Sector Roadmap, a USC-led assessment of energy needs in the region following Hurricane Mitch, the guiding principles for this Hurricane Mitch Energy Initiative are (a) implementing climate friendly and environmentally friendly energy technologies and approaches, (b) promoting energy access to the underserved and economically marginalized, (c) incorporating disaster mitigation, response, and resilience, and (d) building local capacity. Activities will complement and reinforce USAID mission reconstruction programs where the provision of electricity is essential for reconstruction and reactivation

## EASTERN CARIBBEAN

### Hurricane Relief and Reconstruction Eastern Caribbean

RELIEF	Through 12/31/99		
	OBLIGATIONS	EXPENDITURES	
OFDA FUNDS	-	-	-
OTI FUNDS	-	-	-
DA & CS REPROGRAMMED	300 000	-	-
EMERGENCY FOOD AID	-	-	-
MONETIZED FOOD AID	-	-	-
RECONSTRUCTION	OBLIGATIONS	CONTRACTS	EXPENDITURES
		& GRANTS	
CACEDRF	3 000 000	1 600,000	-
CHILD SURVIVAL SUPPLEMENTAL	200 000	-	-
SUPPLEMENTAL OPERATING EXPENSES	-	-	-
<b>TOTAL</b>	<b>3,500,000</b>	<b>1 600,000</b>	<b>-</b>

#### Emergency Funds Usage

- CACEDRF \$3 million Of this amount, \$1.4 million will be granted to PAHO (plus \$0.2 million in Child Survival funds) for hospital reconstruction, medical supplies and equipment and training, \$1.15 million will be provided to the OAS for disaster mitigation and preparedness, and \$0.45 million is planned for loans via the National Development Foundations in St Kitts/Nevis and Antigua/Barbuda to strengthen agriculture and small businesses
- DA Funds \$0.3 million for management of the CACEDRF activities described above
- OFDA Emergency Funds \$500,000 for relief supplies such as plastic sheeting, water storage containers, chainsaws and a \$150,000 grant to PAHO for health and human needs support
- OFDA Transition Funds \$500,000 for disaster preparedness and mitigation

#### U.S. Government Contribution

Five days after Hurricane Georges' land fall, regional response teams dispatched by USAID's Bureau for Latin America and the Caribbean Regional Office of Disaster Assistance (OFDA/LAC) had completed their initial task of distributing relief supplies and assessing damage. During the emergency phase, the U.S. government, through OFDA, provided \$500,000 in urgent relief supplies, including plastic sheeting, water jugs, inflatable water storage containers, and chainsaws and made a contribution to the Pan American Health Organization's (PAHO) appeal for emergency health assistance. The PAHO contribution of \$150,000 enabled repairs to six clinics and the construction of a temporary emergency room. OFDA/LAC also provided on-site training in the use of plastic sheeting for emergency shelter and household repairs. An additional \$0.5 million will be provided by OFDA for other disaster mitigation activities.

In addition to the \$1 million provided by OFDA, \$3.5 million (\$3 million from CACEDRF and \$0.5 million from Bureau resources) will be used to help restore hospital services, to strengthen disaster management, and to reactivate economic activities in the agricultural sector.

The U.S. Southern Command also provided assistance to St. Kitts by building a multipurpose emergency shelter, and the Peace Corps deployed six Crisis Corps volunteers to Antigua to assist with housing reconstruction. The U.S. Coast Guard provided airlift for regional emergency response teams including the Caribbean Disaster and Emergency Response Agency (CDERA), the Caribbean Disaster Relief Unit (CDRU) and agencies such as PAHO to the disaster sites immediately after the hurricane.

### **Other Donors**

Canada provided \$315,000 for health and human needs. Taiwan provided \$1 million in relief assistance. The United Nations Development Programme (UNDP) provided project development personnel and \$150,000 for emergency response coordination through CDERA. The CDB provided \$100,000 for emergency assistance, \$500,000 for assistance to the education sector, and \$1 million for hospital reconstruction. The World Bank provided a \$500,000 loan for reconstruction of the St. Kitts/Nevis education sector, \$2.4 million in fast-disbursing funds to finance imports for recovery items, and \$1 million for hospital reconstruction. In December 1998, the World Bank (WB) signed a loan for \$8.1 million as part of the Organization of Eastern Caribbean States (OECS) Emergency Recovery and Disaster Management Program. PAHO provided a Supplies Management team to both countries to assist with relief supply management and \$10,000 for health needs for each island. The British Department for International Development provided \$25,000 for emergency response for both islands and an electricity restoration crew for St. Kitts. The Inter American Development Bank (IADB) provided \$100,000 to CDERA for emergency assistance and a \$500,000 loan for immediate restoration of the education sector in St. Kitts. Other Caribbean Community nations such as Barbados, Trinidad and Tobago, Guyana, Jamaica and Saint Lucia provided emergency rations, galvanized sheeting, technical assistance and cots and bedding.

### **USAID Reconstruction Program - Planned Activities and Accomplishments to Date**

USAID did not provide any emergency assistance to St. Kitts/Nevis and Antigua/Barbuda beyond the \$500,000 provided by OFDA because the needs were not as great as those in other countries hit by Hurricane Georges, and assistance provided by other countries and donors was adequate to address emergency needs.

The USAID/Jamaica mission manages hurricane reconstruction activities for the Eastern Caribbean, as USAID does not have a mission in that region. Since Hurricane Georges struck the Eastern Caribbean, an OFDA staff member based at USAID/Jamaica has played a key role in coordinating overall disaster assistance in the affected countries. This individual has worked closely with Caribbean disaster

### **DART Team Quick Response**

As soon as conditions permitted, and before any other donor had responded, an OFDA disaster assessment team was on the ground in the Eastern Caribbean providing critical assistance. Just five days after Georges' landfall, relief supplies such as plastic sheeting, chainsaws, and water containers had already been delivered and distributed, and damage assessments had been completed. An immediate grant to PAHO resulted in emergency repairs to six clinics and the construction of a temporary emergency room, thus ensuring that disaster victims and the general public had access to adequate medical facilities.

response organizations such as CDERA and CDRU and with international donors to ensure assistance is provided in a coordinated fashion

In addition to \$500,000 for emergency assistance, OFDA will provide \$500,000 through the Caribbean Development Bank for disaster mitigation activities. OFDA is working closely with other donors to help ensure complementarity of all reconstruction efforts, and to provide a foundation for a new regional preparedness and mitigation program to be initiated in the near future. For example, technical assistance provided by OFDA ensures that construction funded by other donors includes mitigation techniques and practices, and assistance in strengthening and enforcing building codes is designed to serve as a model for other countries and to jump-start a new regional mitigation program being developed by OFDA.

With the provision of supplemental funds, USAID/Jamaica is now positioned to execute grants since preparatory work has been largely completed.

USAID/Jamaica's activities in St. Kitts and Nevis and Antigua and Barbuda include restoring critical hospital services in St. Kitts and Nevis, enhancing the local capacity for disaster mitigation in both St. Kitts and Nevis and Antigua and Barbuda, and increasing credit to micro-businesses, small farmers, and producers in both countries.

#### **Restore Critical Hospital Services in St. Kitts and Nevis**

This will be achieved with the construction of a 24 bed pediatric ward at the Joseph N. France Hospital in St. Kitts. This construction will use new disaster resistant engineering guidelines and be funded through a grant with the Pan American Health Organization (PAHO). Additionally, the pediatric wards at the St. Kitts' Hospital as well as the Alexandra Hospital in Nevis will be fully equipped, and training will be provided to ensure the equipment is properly maintained. In-country training will also be provided for the training of trainers in stress management, disaster management, and disaster planning for the health sector.

#### **Major U.S. and Local Partners**

- Office of U.S. Foreign Disaster Assistance (OFDA) – provision and distribution of relief supplies, funds for disaster preparedness
- Pan American Health Organization (PAHO) – health
- American Health Organizations (AHO) – health
- U.S. Coast Guard – airlift capacity
- Caribbean Disaster Relief Unit (CDRU) – reconstruction
- Caribbean Disaster and Emergency Response Agency (CDERA) – reconstruction
- Peace Corps – housing reconstruction
- Canadian International Development Agency (CIDA) – health and human needs
- United Nations Development Program (UNDP) – development personnel and financial support to CDERA
- Caribbean Development Bank (CDB) – education, hospital reconstruction and emergency assistance
- World Bank – education, emergency imports, hospital reconstruction, Emergency Recovery and Disaster Management programs
- British Department for International Development – electricity restoration
- Inter-American Development Bank (IADB) – education and emergency assistance
- Other Caribbean Nations – food and emergency supplies

Representatives from USAID/Jamaica have consulted closely with the Minister of Health, representatives from the Ministry of Finance, and PAHO's regional advisor on hospital management. After reviewing hospital reconstruction plans funded by the government and various donors, including the World Bank, the European Community Humanitarian Office (ECHO), the European Union, and the Caribbean Development Bank (CDB), it was determined that PAHO would be the most appropriate implementing partner to ensure completion of the activities.

### **Enhance the Local Capacity for Disaster Mitigation in Both St. Kitts and Nevis and Antigua and Barbuda**

USAID will work with the Organization of American States (OAS), which has extensive experience in this field as a result of its previous work with OFDA on disaster mitigation in the region. Work will focus on further strengthening and fully developing each nation's disaster mitigation capacity. This will be achieved through establishing a functioning national disaster mitigation committee that will adopt and implement effective hazard mitigation policies and operational plans. This will include institutionalizing the preparation and use of hazard maps and vulnerability assessments, adopting national building codes, improving building practices, training inspectors, assessing and improving emergency shelters, training shelter workers, and increasing the public's awareness of and participation in national mitigation plans.

#### **Civil Society and Stakeholder Consultations**

During the preparation of the Hurricane Georges recovery and reconstruction plan, there was extensive consultation with civil society customers and stakeholders. These included:

- The Chamber of Commerce
- Caribbean Development Bank/Basic Needs Trust Fund
- Barclays Bank
- President, Private Sector Organization (Antigua/Barbuda)
- Eastern Caribbean Home Mortgage National Development Foundation (St. Kitts, Antigua)
- Businesses
- Manager, Mortgage Underwriting (St. Kitts/Nevis)
- Antigua Hotel Association

Site visits have been undertaken in Antigua to meet with the deputy director of the National Office of Disaster Services, and the senior assistant secretary and the chief welfare officer of the Ministry of Labour & Home Affairs. This provided an excellent overview of Antigua's and Barbuda's current national mitigation approach and how targeted assistance could have significant impact.

In St. Kitts, representatives from USAID/Jamaica met with the director of the OAS and representatives from the National Emergency Management Agency (NEMA) to discuss their disaster

mitigation program. The OAS representative stated that the proposed program presented by USAID and OAS/Washington was extremely timely since the St. Kitts/Nevis Parliament had just passed a national mitigation strategy.

### **Increase Credit to Micro-businesses, Small Farmers, and Producers**

USAID is examining the possibility of providing the National Development Foundations (NDFs) in Antigua and St. Kitts with grant funds so that they can, in turn, provide small loans to the micro and small business sector.



An assessment of the NDFs in Antigua and St. Kitts regarding their micro- and small business lending programs has begun, but a final determination on their management and effectiveness has not been made. The Antigua NDF may have more potential for success than the St. Kitts NDF but further assessment is necessary to determine that either has the requisite capacity to manage USAID funds.

Antigua's NDF apparently has been self-sustaining during the past four years. It appears to have an excellent track record, and its portfolio could be expanded to accommodate USAID's proposed activity. The St. Kitts and Nevis NDF evidently has a good reputation within the community, it apparently has a long and successful lending history, and it should be well-established as it owns its own building, which it uses for income-generating purposes. The number and monetary value of its loans also indicate that expansion to include USAID's proposed program is feasible.

## DOMINICAN REPUBLIC

### Hurricane Relief and Reconstruction Dominican Republic

	Through 12/31/99		
RELIEF	OBLIGATIONS	EXPENDITURES	
OFDA FUNDS	2 937 200	2 806 600	
OTI FUNDS	-	-	
DA & CS REPROGRAMMED	1 500 000	419 406	
EMERGENCY FOOD AID	10 332 600	10 102 000	
MONETIZED FOOD AID	15 000 000	2 011 700	
RECONSTRUCTION	OBLIGATIONS	CONTRACTS & GRANTS	EXPENDITURES
CACEDRF	29 000 000	10 450 000	503 800
CHILD SURVIVAL SUPPLEMENTAL	6 000 000	5 216 770	1 718 270
SUPPLEMENTAL OPERATING EXPENSES	407 100		403 700
TOTAL	65 176 900	15 666 770	17 965 476

### U S Government Contribution

As an initial response, USAID's Office of U S Foreign Disaster Assistance (OFDA) allocated \$2.1 million to fund emergency supplies such as tents, water purification chemicals, generators, emergency food rations and use of six U S Army helicopters to transport these critical supplies. USAID redirected \$3 million from its ongoing program \$1.5 million to support these emergency efforts, and another \$1.5 million for technical assistance targeting agricultural sector reconstruction and long term management of the overall disaster response. In addition, OFDA provided \$2.6 million for construction of temporary housing with water and sanitation facilities and agricultural recovery.

A total of \$15 million in PL 480 Title II emergency food is being provided to disaster victims. The U S Department of Agriculture (USDA) has donated 100,000 metric tons of Section 416(b) wheat. The local currency generated from the sales of this wheat will be used for agricultural rehabili-

#### Major U S and Local Partners

**Food Aid** USDA, WFP, American Red Cross, Dominican Red Cross, and local NGOs

**Health** Pan American Health Organization (PAHO), Dominican Ministry of Health, Centers for Disease Control, ENTRENA (for water and sanitation), local NGOs, and OFDA

**Housing** USAID/OFDA, Cooperative Housing Foundation, and local NGOs

**Note** HUD, in a joint venture with the city of Santo Domingo and a Puerto Rican investment bank, with an OPIC guarantee, will implement a housing construction project for 5,000 low-income homes. In addition, HUD will provide TA and training on building codes and construction of disaster-resistant homes.

**Agriculture/Small Business/Energy** National Rural Electrification Cooperative Association (NRECA), OFDA, and local NGOs

**Environment and Disaster Mitigation** GODR agencies, civil groups and NGOs, International Resource Group (IRG), PASA with the U S Army Corps of Engineers, U S Peace Corps, and the U S Forest Service

tation USDA section 108 funding of \$12 million will be used to link U S agribusinesses with Dominican agriculture entities to help assist in the reconstruction of the agricultural sector Child Survival funds totaling \$6 million are being used for vaccinations, primary health care, disease surveillance, rebuilding water supplies, reconstruction of sanitation facilities and other health-related activities Finally the U S Southern Command forces constructed eight new rural schools and replaced a washed out bridge, at a cost to the Southern Command of \$10 million The new schools serve some 12,000 students

### **Other Donors**

The World Bank provided \$60 million in Quick Disbursement funds to import critically needed goods \$55 million for reconstruction, \$7.1 million to establish a National Alert and Warning System at national and local levels, and \$24.2 million to provide immediate financing for emergency reconstruction and equipment The International Monetary Fund (IMF) approved an emergency line of credit of \$55 million to help finance the increase in the external and fiscal deficits that are expected as a result of the government's expenses related to the disaster The Inter American Development Bank (IDB) will provide \$40 million for infrastructure rehabilitation and improvement, \$30 million for assistance to low-income communities, \$30 million for recurrent social expenditures, \$4 million for strengthening of disaster prevention and land-use planning The United Nations Development Program (UNDP) is providing \$12 million for social, community and agribusiness development The European Union (EU) is providing \$42 million, primarily for infrastructure rehabilitation, light construction materials, water purification and emergency relief Spain provided \$21 million for humanitarian aid, small businesses, agriculture and communications

### **USAID Reconstruction Program - Planned Activities and Accomplishments to Date (September 1998 - October 1999)**

#### **Disaster Response Stage September 1998 - June 1999**

The initial response included \$4.7 million from USAID's U S Office of Foreign Disaster Assistance (OFDA) to fund emergency supplies, transportation, temporary housing, and land leveling for agricultural recovery, \$3 million was re directed from the mission's ongoing program to support OFDA's emergency efforts, agricultural sector reconstruction and long term management of the overall disaster response, \$15 million in PL 480 Title 11 emergency food, \$6 million in Child Survival funds for

### **Civil Society Consultations**

In the design of the hurricane reconstruction program, coordination meetings were held with representatives from a variety of Dominican Republic public and private sector entities These include NGO partners and banks, as well as other donors to exchange information and determine the respective level of effort and resources planned for the recovery effort USAID considered the views and suggestions of community level focus groups carried out shortly after the hurricane, in which victims provided their perceptions and insights on USAID-sponsored relief and reconstruction assistance

During implementation, civil society organizations are highly involved in the reconstruction effort The majority of reconstruction funds are being allocated to local non governmental organizations that are closely tied to the communities most affected by the hurricane

health activities, and the U S Southern Command forces constructed eight new rural schools and replaced a bridge at a cost to the Southern Command of \$10 million

### **Transitional Recovery January 1999 - July 1999**

**Water Systems** The mission reprogrammed project \$1.5 million to support nine partner NGOs to repair 24 water systems in rural communities and to repair shelters destroyed by the hurricane. This work has been completed.

**Health** With \$6 million in Child Survival Funds, the Ministry of Health, the Pan American Health Organization (PAHO) and USAID are working with Dominican NGOs to provide vaccinations, primary health care, disease surveillance, the rebuilding of water supplies, reconstruction of sanitation facilities, and other health related activities. To date, 1.5 million children have been immunized against measles, assistance has been provided to public and private organizations to prevent widespread infestations of mosquitoes that transmit the dengue virus, and six proposals for health activities have been approved (totaling approximately \$1.8 million). Additional proposals to build and repair water and sanitation systems are now being reviewed. The target for these health risk mitigation programs is the estimated 3.7 million persons living in the area affected by the hurricane, particularly the estimated 469,000 children under 5 who live in the targeted areas.

**Housing** With \$1.2 million in OFDA funds, USAID supports NGOs that are assisting hurricane victims rebuild their homes. To date, 3,360 houses have been constructed or rehabilitated, and 1.5 million board feet of lumber milled from trees felled during the hurricane. By the end of this program, 4,013 houses will have been constructed and rehabilitated, 2 million board feet of lumber will have been milled from downed timber, and 2,115 acres will have been rehabilitated and replanted.

**Food Aid** With \$15 million in PL 480 Title II, USAID is providing a total of 16,750 metric tons of food aid to 330,000 Dominican disaster victims. The World Food Program (WFP) together with both the American and Dominican Red Cross are implementing the program. Two other programs provide reconstruction resources: 1) U S Department of Agriculture, Section 416(b) Program - \$15 million. In December 1998, the United States and the Dominican Republic signed a Section 416(b) agreement under which the United States donated 100,000 metric tons of wheat to the Dominican Republic. Proceeds from the sale of the donated wheat are being used to rehabilitate small and medium scale farming and livestock operations throughout the country, and 2) U S Department of Agriculture, Section 108 - \$12 million. These funds were actually available before the hurricane to promote trade between the United States and the Dominican Republic. Subsequent to Georges, the program was refocused to assist in the reconstruction of the Dominican agricultural sector as well as to promote increased trade.

### **Planned Reconstruction Activities August 1999 - September 2001**

USAID/DR received \$29 million of the Central American and Caribbean Emergency Disaster Relief Funds (CACEDRF) to support hurricane reconstruction projects in health, agriculture, housing, economic reactivation, environment and disaster mitigation. On August 3, 1999, USAID/DR obligated these funds through a bilateral agreement with the Dominican government. Currently, USAID/DR is sub-obligating

these funds through various contractors and NGOs. Following is a brief summary of planned activities.

### **Health (\$6.8 Million)**

Resources will be used to reduce health risks of hurricane victims, particularly of children. These funds will also be used for projects aimed at reducing the general population's risks linked to vector borne and infectious diseases, to provide access to potable water, and to rebuild sanitation systems in impacted communities.

In addition, assistance will be used to establish a decentralized, epidemiological surveillance system to control hurricane-related diseases. Health services, including health prevention and nutritional information, will also be provided. As part of this effort, USAID is currently funding an activity between the Pan American Health Organization (PAHO) and the Ministry of Health to update its epidemiological and nutritional data through an improved surveillance system. The Ministry of Health is also receiving assistance from the Centers for Disease Control (CDC). In preparation for CDC's mid-November visit, officials from the Dominican Ministry of Health met with their Haitian counterparts in the Dominican Republic to discuss collaborative work between the two ministries. The goal is to improve laboratory capacity and epidemiological surveillance. This collaboration is the first of its type between the two countries. NGOs are now submitting proposals to ENTRENA, a local contractor managing the NGO health activities. Initiation of these activities is scheduled for February 2000.

### **Housing (\$7.8 Million)**

Grants will be made to U.S. and local NGOs to repair 2,500 houses and reconstruct another 2,500.

#### **Hurricane Georges Success Stories**

**Child Survival** 1.5 million children have been immunized against measles, a threatened outbreak of dengue fever was thwarted through prompt assistance to public and non-governmental health organizations, and 3,587 latrines have been constructed.

**Housing** Trees felled by Hurricane Georges are being used to construct or repair houses, thereby satisfying a basic human need and simultaneously reducing the risk of devastating wildfires.

3,360 houses have already been constructed or repaired, and 1.5 million board feet of lumber milled from trees felled during the hurricane. By the end of this program, 4,013 houses will have been constructed or repaired, and 2 million board feet of lumber will have been milled from downed timber.

**Agriculture** Thus far, 1,698 acres of land have been rehabilitated, of which 1,600 acres have been replanted with plantains. Crops have already been harvested on reclaimed land. This program will result in the rehabilitation and replanting of 2,115 acres.

**Infrastructure** The U.S. Southern Command forces constructed eight new rural schools, which serve a total of 12,000 students and constructed a new bridge. The schools started serving students in September 1999.

**Water systems** The mission reprogrammed project funds to support nine partner NGOs to repair 24 water systems, serving thousands of Dominicans in rural communities.

**PL 480 Title II** USAID is providing a total of 16,750 metric tons of food aid to 330,000 Dominican disaster victims.

homes that were destroyed. Improved building techniques will be taught to better ensure construction of hurricane-resistant housing. In addition, housing reconstruction will be integrated into community rehabilitation efforts by non-governmental organizations to address housing needs at the community level. A \$7.8 million cooperative agreement signed with the Cooperative Housing Foundation will carry out this program.

In addition, the Department of Housing and Urban Development is developing a pilot project with OPIC involving private sector financing that will construct 5,000 low income homes in Santo Domingo within one year. The investment will total approximately U.S. \$20 million and would be a joint venture between the city of Santo Domingo, a Puerto Rican investment banking firm, and possibly additional private partners, who are guaranteed by OPIC.

### **Agriculture/Small Businesses/Energy (\$7.3 Million)**

These funds will be used to reactivate economic opportunities for needy people affected by Hurricane Georges. Most of these people are small farmers who lost their crops and face the grim prospect of resuming farming activities under difficult economic conditions on severely degraded soils. Planned activities will also support the self-help efforts of microentrepreneurs who need technical assistance and training to resume income-producing activities and be better prepared for a future disaster. The preparation will include instructions on how to better construct property, safely store supplies and inventories, and guidance on the steps to take to seek financial assistance in case of destruction or damage by a natural disaster.

The mission has signed a cooperative agreement, for \$1.9 million, with the National Rural Electrification Cooperative Association (NRECA) to rehabilitate rural electrical infrastructure in areas affected by Hurricane Georges. Energy sector activities will focus on water pumping and electricity for villages and the provision of electricity and communication services for rural schools and community commercial centers. The mission plans to execute agreements with ENRENA (for \$4.9 million) for sub-grants to NGOs and the Center for Assistance to Micro and Small Businesses (CAMPE, a local NGO) for \$0.5 million for the activities described above.

### **Environment and Disaster Mitigation (\$4.4 Million)**

Will be used to address environmental concerns and to contribute to disaster mitigation efforts. Assistance will focus on stabilizing soils where erosion threatens infrastructure and agriculture, reducing fire risk from hurricane-damaged timber by extracting fallen logs, and using the wood for shelter construction. Efforts will also focus on establishing an improved disaster coordination mechanism among GODR agencies and civil groups so that disaster response is timely and efficient. This effort includes strengthening the capability and readiness of non-governmental and community based organizations so they can help Dominican communities prepare for and cope with future disasters.

USAID/Dominican Republic signed a task order with International Resource Group (IRG) for \$650,000 to implement the Disaster Mitigation component. USAID/Dominican Republic is now completing a Participating Agency Service Agreement (PASA) for \$500,000 with the U.S. Army Corps of Engineers to provide technical assistance and training in disaster prevention, disaster response, and disaster mitigation. In addition, USAID/Dominican Republic is preparing an inter-

agency agreement with the U S Peace Corps for \$95,000 to work on environmental policy, watershed management, soil conservation, and management of forest fire risk. In addition, an inter-agency agreement with the USDA Forest Service in the amount of \$400,000 for soil conservation, reforestation, and forest fire management will be signed by mid November 1999. NGOs have also been invited to submit proposals for grant funded activities in natural resource management.

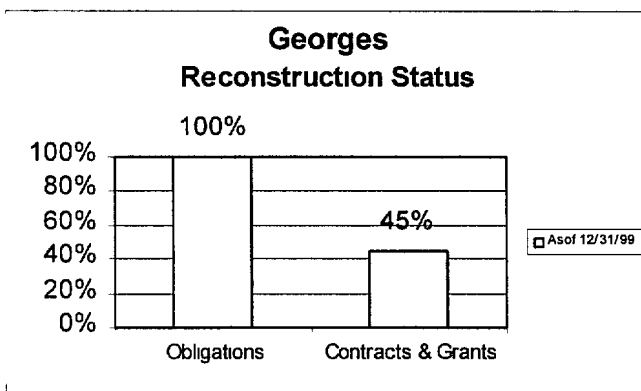
## HAITI

### Hurricane Relief and Reconstruction Haiti

RELIEF	Through 12/31/99	
	OBLIGATIONS	EXPENDITURES
OFDA FUNDS	1 714 550	1,408,462
OTI FUNDS	-	-
DA & CS REPROGRAMMED	-	-
EMERGENCY FOOD AID	-	-
MONETIZED FOOD AID	-	-
<b>RECONSTRUCTION</b>		
	OBLIGATIONS	CONTRACTS & GRANTS EXPENDITURES
CACEDRF	9 800 000	9 795 000 80 750
CHILD SURVIVAL SUPPLEMENTAL	-	-
SUPPLEMENTAL OPERATING EXPENSES	144 888	140 438
<b>TOTAL</b>	<b>11 659 438</b>	<b>9 795 000 1 629 650</b>

### The U S Government Contribution

It is estimated that Hurricane Georges caused 400 casualties and over \$180 million total damage including indirect and secondary losses in Haiti. In response, the U S government has been implementing a program in three phases (relief, rehabilitation and reconstruction) that will ultimately benefit 2.2 million people, mostly rural poor. Haiti will receive \$9.8 million for Hurricane Georges recovery. This is in addition to the \$1.2 million provided by the United States in emergency humanitarian assistance immediately after Georges struck Haiti and \$12.5 million that the United States contributed or reprogrammed from other on-going programs to support rehabilitation activities.



Immediate emergency relief provided \$100,000 for shelter and potable water. A grant to the Pan American Health Organization of \$300,000 provided medicines and health surveillance for the prevention of disease epidemics to benefit over 285,000 people while \$850,000 in PL 480 Title II Food Assistance fed more than 16,000 families (approximately 96,000 people).

Following the initial relief phase, \$12.5 million in phase two rehabilitation support was funded through PL 480 Title III (\$10.8 million) and the USAID Office of U S Foreign Disaster Assistance (\$1.7 million). Twenty-five rehabilitation activities for seeds and plantain cuttings and repair of rural roads, irrigation systems, drainage canals and erosion control structures were completed.



Phase three of this program is a two-year reconstruction effort using the \$9.8 million CACEDRF funds designated for Haiti. It emphasizes efficient and effective activities that restore food production, rebuild damaged infrastructure, reduce environmental impacts and enhance the capacity of communities to address future natural disasters. These activities will increase the ability of the affected populations to rebuild their livelihoods.

### **Other Donors**

The Inter-American Development Bank (IDB) has pledged \$8 million for reconstruction activities. The International Monetary Fund (IMF) provided the government of Haiti with \$20 million in additional budget support to assist the government absorb costs associated with hurricane relief and to compensate for lost revenue due to reduced economic activity. The Pan American Health Organization (PAHO) is providing technical assistance in the preparation of a framework for a national disaster management plan. The United Nations Development Program (UNDP) and the European Union are providing assistance for medium- and long-term capacity building such as disaster management training, office supplies and equipment to enhance the capacity of the Haitian Directorate of Civil Protection.

### **The USAID Reconstruction Program - Planned Activities and Accomplishments to Date**

USAID is implementing a comprehensive hurricane recovery program in Haiti with \$9.8 million of CACEDRF funds. The objective of this program is to enhance the capacity of communities to recover from the negative economic impact of Hurricane Georges and to adequately prepare for future natural disasters. Activities supported under this program will reconstruct productive infrastructure, such as farm-to-market roads and irrigation systems, support improved soil and water conservation practices in strategic watersheds, make improved seeds available to small farmers, repair social infrastructure, such as schools and water systems, and provide technical assistance to communities to enhance their disaster preparedness and mitigation capacity.

As agreed with the government of Haiti, USAID supported activities primarily focus within the southeastern area of the country, with selected priority interventions in the rest of the country. The crux of USAID's activities is on community self-help. Community participation in the identification, design and implementation of local activities will ensure their sustainability. In many cases, these activities emanate directly from community-based groups.

### **Success Story**

Twenty-five rehabilitation activities for seeds and plantain cuttings and repair of rural roads, irrigation systems, drainage canals and erosion control structures were completed. One of these activities was the rehabilitation of an irrigation system at Devarieux. This system was badly damaged by Hurricane Georges but is now fully operational again. At a recent ceremony, the local mayor, Mr. Leo Guillaume, and a representative of the local farmers association thanked USAID/Haiti and its partner organizations for their support and contributions. This intervention has allowed more than 600 hectares of agricultural land to receive adequate irrigation benefiting an estimated 1,500 farm families. The farmers are now also planting a new rice variety that can produce more than twice the yield of the local variety.

A \$8.5 million cooperative agreement with the Pan American Development Foundation was signed on September 27, 1999. USAID has also negotiated \$450,000 contract with the Southeast Consortium for International Development to monitor and evaluate the Hurricane Georges Recovery Program (HGRP), a \$30,000 contract with a local firm (KPMG Merove-Pierre) to perform a concurrent audit and a contract with a U.S. personal services contractor to manage the HGRP. In addition, a \$500,000 participating agency service agreement with the U.S. Army Corps of Engineers was signed on September 30, 1999.

#### **Civil Society Consultations**

The entire reconstruction strategy is based on a community self-help methodology. Lessons learned from previous emergency programs indicate that community participation, especially on the part of women, is essential to community acceptance of interventions and to build the foundation for community-based disaster preparedness. Nearly 350 local civil society organizations will be involved in the planning and execution of reconstruction efforts. Activities emphasize the application of true consultation and participation with civil society and local government to strengthen their ability to work with each other to solve community problems. Based on damage assessments and problem identification and prioritization at the village level, communities will implement a package of agricultural, infrastructure and environmental interventions specifically tailored to their circumstances and needs. For example, some communities will benefit from the distribution of improved planting material, rehabilitation of productive infrastructure and soil conservation measures. Other communities may not require the restoration of their irrigation system but may need help repairing a potable water system or a farm-to-market road. In all cases, local capacities to better respond to the impact of future disasters will be reinforced.

#### **Agriculture & Food Production (\$2.8 Million)**

USAID is providing assistance to restore food production and rebuild damaged infrastructure. Elements are: 1) provision of higher-yield crop varieties, 2) production and multiplication of seeds and 3) provision of technical assistance and technology transfer.

#### **Productive and Social Infrastructure (\$2.6 Million)**

USAID is assisting those communities hardest hit by Hurricane Georges to rebuild damaged infrastructure. Local communities prioritize, select and implement small projects that will rehabilitate farm-to-market roads, irrigation and drainage canals, soil and water retention structures as well as schools and potable water systems.

#### **Environmental Degradation (\$2.8 Million)**

In many areas hit by the hurricane, fields belonging to farmers who used sound soil management practices suffered far less damage. Thus, USAID is emphasizing the protection and improved management of hillsides in its recovery program. Activities include terracing, improved crop cover and rock walls.

#### **Disaster Preparedness (\$0.6 Million)**

The perverse synergy of overwhelming poverty, degraded environment, and

lack of infrastructure makes Haiti a "disaster prone" country. Nearly every year large segments of the population suffer from either prolonged drought, frequent floods, or mud slides. The USAID/Haiti reconstruction strategy deals specifically with increasing local capacity within Haiti to deal with recurring disasters.

### **Management, Monitoring & Evaluation (\$1 0 Million)**

USAID is studying the impact of the Hurricane Georges Recovery Program on farm households as well as continuously monitoring progress of the program

#### **Major U.S and Local Partners**

Achievement of the Hurricane Georges recovery program objective will rely on several NGOs (CARE, Catholic Relief Services, Plan, World Vision and Winrock International) under a cooperative agreement with the Pan American Development Foundation (PADF). The U.S. Army Corps of Engineers will conduct studies, prepare manuals and provide technical assistance to USAID and its partners. The Southeast Consortium for International Development (SECID) will conduct ongoing monitoring and evaluation of the program. The Organization for the Rehabilitation of the Environment (ORE), a Haitian NGO, will help to replace the stock of corn, beans and other planting material including banana, yam and cassava with high-yielding varieties that will allow the communities to better cope with future disasters. They will receive technical assistance from the Center for Tropical Agriculture (CIAT), an international agricultural research institute. The program will include support from other USC agencies such as the U.S. Department of Agriculture and the U.S. Federal Emergency Management Agency as designated under the 1999 Emergency Supplemental Appropriations Act. The Peace Corps is also conducting disaster preparedness capacity building in the country through training of volunteers and their counterparts. A local Haitian NGO will work with nearly 350 local civil society organizations to enhance their capacity to deal with natural disasters.

## Donor Coordination

A hallmark of the reconstruction effort in Central America has been the extent of donor consensus and coordination from the earliest days following the disaster. Within six weeks of the onset of Hurricane Mitch, the Inter American Development Bank (IDB) sponsored an emergency donor meeting in Washington, D C. The December 10-11 meeting provided a forum for the donor community to hear directly from the heads of state of the Central American countries and to receive presentations from the World Bank and U N Development Program of the first comprehensive data on hurricane-related damages and replacement costs. This information was crucial in establishing the order of magnitude of the financial response that would be necessary and provided donors the preliminary information needed to fashion a response.

*"All the Central American leaders with whom I have visited have told me that if reconstruction is managed in the right way, if it clearly benefits all segments of society in a transparent way, if it carves out new roles for local government and voluntary organizations, if it reflects the necessity of protecting the environment, then this region will emerge in stronger shape than before the storm."*

**President William Jefferson Clinton,  
Remarks to the Legislative  
Assembly of El Salvador  
March 10, 1999**

The Consultative Group Meeting on the Reconstruction and Transformation of Central America, Stockholm, May 1999

The Inter-American Development Bank hosted the Consultative Group meeting, which brought together over 50 donor nations and international organizations. Central American leaders discussed the impact of Hurricane Mitch and presented their national reconstruction plans. All of the delegations stressed how the tragedy of the hurricane also represented the opportunity to rebuild a better Central America.

The Consultative Group offered a different format that allowed for the involvement of a number of non-governmental organizations as members of the official delegations or as observers. NGO representatives participated in a separate plenary session prior to the conference and attended three thematic workshops that dealt with the issues of environment and social vulnerability, decentralization and local government, and transparency and accountability.

The U S government was pleased to be able to announce its intention to provide \$567 million in assistance to the countries of Central America. This pledge was made possible as a result of the strong bipartisan effort in Congress to provide supplemental assistance in the form of the Central America and Caribbean Emergency Disaster Recovery Fund (CACEDRF), approved by Congress and signed into law by the president on May 21, 1999. U S assistance was part of an overall donor effort totaling over \$9 billion in assistance pledged. (See table on page 61.)

Beyond identifying reconstruction costs and pledges of international support, the donor community continued the discussion that had begun in December about

not only what reconstruction would entail, but how the reconstruction process could serve to transform the region. The guiding principles of that discussion were outlined in the U.S. government statement:

*Building Back Better* "First, in the area of environmental security, we intend to stress the use of good land-use planning, environmental and geological analysis and incorporate them into planning across the different sectors."

*Attention to Equity Issues* "Second, reconstruction must include attention to equity issues. The poor suffered the greatest loss in the hurricane. Reconstruction programs must open up to ensure that economic and social opportunities reach those who are marginalized. Reducing poverty and inequity also reduces the vulnerability to future disasters."

*Decentralization* "Third, we will emphasize decentralization and local government. We must work closely and cooperatively with our host governments, with local governments, and with civil society."

*Accountability* "Fourth, we want accountability. We agree, all of us, that the greatest threat to the success of the reconstruction will be whether or not assistance is used in a transparent and accountable fashion."

*Donor Coordination* "Finally, we need to be able to monitor the course of reconstruction through the adoption of appropriate follow-up mechanisms."

These guiding principles were shared by other donors and the governments of the affected countries. This broad consensus made possible the issuance of the Stockholm Declaration, which recommended an approach to the entire reconstruction process and the role of the international community in following up on these commitments.

### **The Group of Five and the Madrid Conference, September 1999**

The Group of Five (G-5), consisting of the countries of Canada, Germany, Spain, Sweden and the United States, were identified in the Stockholm Declaration as the donors asked to initiate a follow-up process for monitoring the Stockholm commitments.

Meeting in Spain in September 1999, representatives from the five countries agreed to an approach that called for donor coordination to remain focused at the country level, with the principal donors -- including the international financial institutions and other international organizations - all invited to participate in the establishment of a monitoring mechanism.

The central idea of this mechanism was to establish a regular forum for engaging the host country government and civil society on a regular basis to discuss the progress of reconstruction implementation in accordance with principles outlined at Stockholm.

At the country level, G-5 representatives along with any other interested donor representatives would engage a host-government established commission. The membership of this commission was to be decided by the governments themselves and should ensure the participation of civil society in the work of this commission. It is expected that this group will convene every three months. To ensure the continuity of this effort, it was agreed that each G-5 country would act as the Secretariat of this process for a period of six months at a time, taking the lead in coordinating the donor follow-up efforts in each country. The United States will chair the Secretariat from October 2000 through March 2001.

### **Donor Coordination on the Ground**

The G-5 effort is now under way. Donor meetings have been coordinated by Spain and governments have designated the appropriate counterparts and established mechanisms for consultations with civil society.

The most important donor coordination efforts continue to take place at the country level. Prior to the establishment of the G-5 mechanism, donors had already been meeting on an ongoing basis since before the hurricane. Existing donor coordination mechanisms have been adapted to address the change in circumstances produced by Mitch.

Where appropriate, new entities, such as the government of Honduras' Reconstruction Cabinet, have been formed and have become the principal interlocutor for the donors. USAID has played a lead role in the local G-5 effort by organizing regular meetings of the G-5 donors (now expanded to a Group of 8 with the addition of Japan, the IDB, and UNDP) at the technical level to help develop the agenda and provide input for the G-8 donor group at the ambassador level and for their interaction with the Reconstruction Cabinet. The G-5/G-8 donor group has played a major role in focusing the attention of the Reconstruction Cabinet on engaging civil society and addressing accountability. Recognizing that donor coordination is most effective at the sector level, sector or thematic meetings of key donors focused on macro economic support, roads and bridges, economic reactivation, housing, municipal development, health, education, disaster preparedness/mitigation, and accountability/transparency, among others, have been meeting regularly and engaging key GOH and civil society counterparts. The G-8 donors at the technical level (heads of development assistance agencies) are supporting dialogue on the Stockholm principles in each sector or thematic working group and helping the group apply the principles to their sectoral objectives and assistance program. The GOH has also recently named representatives at the technical level to joint Honduran/donor task forces for each of the Stockholm principles. These groups will be responsible for identifying indicators and mechanisms for measuring progress in applying the Stockholm principles in the reconstruction and transformation of Honduras.

In Nicaragua, the six emergency committees that were formed immediately following the hurricane completed their work for Stockholm and their mandate ended. In August 1999, President Aleman named a National Council for Social and Economic Planning to lead Nicaragua's reconstruction and to coordinate follow-up to Stockholm with civil society and donors. The 20 members come from private sector business and agricultural organizations, workers unions, universities, political parties and the Civil Coordinator for Emergency and Reconstruction, which includes hundreds of local NGOs. Dr. Luis Duran, who currently serves as the technical secretary to the presidency, was named the national coordinator of the coun

cil The council had its first meeting on November 8, and its second meeting November 11 when some members withdrew in protest over the arrest of the controller general

On another track, the Group of 5 met several times through the summer working through the Secretariat of External Cooperation to consult with the GON and civil society. A team of three consultants - one nominated from the donors, one from the government, and one from civil society - is preparing recommendations on the indicators for follow-up to Stockholm. Their report is expected in early December.

In Guatemala, the GOG has established the "Stockholm Monitoring commission," chaired by SEGEPLAN, the planning ministry. The commission is made up of interested bilateral donors, multilateral donors, and key GOG agencies, civil society and NGO groups that attended the CG meeting in Stockholm. The commission has set a goal of meeting at least twice a year. The main focus of the commission is to reduce social/ecological vulnerability and implementation of the GOG's Mitch Reconstruction Plan. To further this objective, the commission is forming four technical coordinating groups: (1) Disaster Preparedness and Mitigation, (2) Watershed Management, (3) Health, (4) Agricultural Recovery.

The Watershed Management group has been meeting on a monthly basis and is co-chaired by the minister of agriculture and the USAID Mission Director. Watershed Management Working Group membership includes the GOG's Ministry of Agriculture, the meteorological service INSIVUMEH, the planning ministry SEGEPLAN, the national coffee growers association ANACAFE, local PVOs DEFENSORES, CECI, and Solar Foundation, and among international donors are USAID, IDB, UNDP, CARE, CRS, CHF, and the Embassy of Japan.

The Disaster Preparedness and Mitigation technical group is also functioning, and an implementation unit formed among participating GOG agencies and donors is now meeting on a weekly basis. Membership includes Guatemala's national emergency management agency CONRED, SEGEPLAN, INSIVUMEH, UNICEF, UNDP, and USAID. Technical groups for Health and Agricultural Recovery are just being formed, and have yet to establish an implementation routine.

In El Salvador, the government of El Salvador worked closely with UNDP to coordinate a series of roundtable discussions throughout the country to help in the development of their reconstruction plan. Donors were able to participate in these discussions and develop their programs. These roundtables brought together donor, government and civil society representatives. The conclusions of this process were the basis for the Salvadoran government's report for the Stockholm CG.

Donor coordination continues through several fora. The G-5 has expanded (G5 + 5) to include representatives from other international organizations (including IDB and UNDP) and the Japanese government. This group continues to meet on a periodic basis to improve mechanisms for coordination. UNDP has been tasked with facilitating this coordination by establishing a common format for reporting what each donor is doing and the location of its activities.

**Principal Donors for Central America Reconstruction and Transformation\***

*Source IDB*

Donor	Amount Pledged
Austria	\$ 47,900,000
Canada	\$ 112,000,000
Denmark	\$ 189,200,000
Finland	\$ 40,300,000
Germany	\$ 202,200,000 <sup>T</sup>
Italy	\$ 20,000,000
Japan	\$ 249,600,000
Mexico	\$ 32,000,000
Netherlands	\$ 42,000,000
Norway	\$ 104,000,000 <sup>T</sup>
Spain	\$ 681,600,000 <sup>T</sup>
Sweden	\$ 184,500,000
Switzerland	\$ 59,600,000
Taiwan	\$ 48,700,000 <sup>T</sup>
United States	\$ 568,600,000
EC	\$ 284,300,000
IDB	\$2,739,700,000
World Bank	\$1,554,000,000

Unofficial estimate of new funds as pledged in May 1999 Does not include debt relief  
<sup>T</sup> Type of assistance not specified



## **Accountability**

From the outset of the reconstruction effort, there has been no greater concern than with the issue of accountability of the uses of reconstruction assistance. In a region that has been plagued with a sad history of misuse of past assistance rendered in the wake of natural disasters, leaders from the region immediately recognized the need for a break with this legacy.

### **USAID Safeguards**

The U.S. approach to accountability operates at several different levels. First, USAID procedures include safeguards against the misuse of U.S.-funded activities. Where possible, USAID works on a reimbursable basis, which allows the agency to review all costs before payment is made. With other groups, USAID will make incremental advances against an agreed-upon work plan and then review expenditures before providing the next advance. Finally, USAID requires financial audits of the activities undertaken. Under reconstruction, exceptional efforts are being made to verify all work progress and compliance with standards on a concurrent basis with implementation through frequent site inspections.

### **Additional Funds for the USAID Inspector General and the General Accounting Office**

In addition to these requirements, Congress provided an additional \$1.5 million to the USAID Office of the Inspector General for additional oversight activities. The Inspector General developed an audit strategy designed to increase safeguards and to provide additional assurances, and appropriate training in some cases, so that reconstruction assistance is used in the manner intended.

### **Supporting Host Country Accountability Systems**

USAID's accountability strategy builds on previous activities designed to strengthen Central American host country accountability systems. In the past, USAID provided assistance and training to the controller general in Honduras and in Nicaragua. USAID/El Salvador has worked on reform of El Salvador's Court of Accounts and USAID's regional inspector general recently certified that this entity had established acceptable procedures making the court eligible to carry out USAID-funded audits.

In Honduras, on January 26, 1999, USAID provided \$300,000 in local currency equivalent so that the controller general can now contract with international firms to assist in the audit of line ministry operations involved in reconstruction. The COH has contracted with three firms (Price Waterhouse, Coopers, KPMG Peat Marwick, and Deloitte and Touché) to do this work. USAID/Honduras will provide follow-on support for this initiative with CACEDRF funds.

In Nicaragua, as part of its ongoing development assistance program, USAID has a \$3.9 million agreement with Casals & Associates that, in addition to other components to strengthen civil society, assists with accounting modules and improved audit capability in the Contraloría General and Finanzas and a public information campaign on transparency and anti-corruption involving a number of local NGOs.

## Working with Other Donors

In collaboration with the Inter-American Development Bank, USAID is working with the government of Honduras and the government of Nicaragua to establish new mechanisms to provide financial oversight and quality control of reconstruction assistance while improving the ability of these countries to procure goods and services in a more transparent fashion

After discussions between the government, IDB and USAID, the government of Honduras has asked the IDB to move forward with a four-part program that will create an independent inspectoría de proyectos, which will be able to oversee management of and inspect all reconstruction projects, funded either by donors or with national funds. The project will also assist in the implementation of an efficient and transparent procurement process by providing assistance to key implementing entities through international firms, provide training in the national procurement system, and reform the procurement system. USAID has agreed to assist in financing elements of this program with up to \$2.5 million in CACEDRF funds and has been working with other donors to help make this a multidonor effort. The government of Honduras formally agreed to a framework establishing this program in signing an Aide Memoire with the IDB on November 23, 1999.

## From "The Stockholm Declaration"

*" At this second meeting of the Consultative Group, held in Stockholm 25-28 May 1999, the Governments of Central America and the international community have committed themselves to sharing the responsibility for achieving the reconstruction and the transformation of the countries concerned, thus establishing a long-term partnership guided by the priorities defined by the Central American countries and based on the following goals and principles*

*Reduce the social and ecological vulnerability of the region, as the overriding goal*

*Reconstruct and transform Central America on the basis of an integrated approach of transparency and good governance*

*Consolidate democracy and good governance, reinforcing the process of decentralization of governmental functions and powers, with the active participation of civil society*

*Promote respect for human rights as a permanent objective. The promotion of equality between women and men, the rights of children, of ethnic groups and other minorities should be given special attention*

*Coordinate donor efforts, guided by priorities set by the recipient countries*

*Intensify efforts to reduce the external debt burden of the countries of the region*

*This Declaration reflects the mutual understanding reached at this second meeting of the Consultative Group and will provide invaluable guidance for common efforts for the reconstruction and transformation of Central America. The historical importance of this meeting is expressed by the high-level representation from both Central American governments and the international community. With the challenges and prospects of the new Millennium ahead of us, we welcome this Declaration as a substantial support towards securing a better future for present and coming generations of the peoples of Central America*

## **Congressional Concerns for Accountability**

**From P.L. 106-31 Emergency Supplemental  
Act of 1999**

*USAID Inspector General*

*Provided further, That up to \$1,500,000 of the funds appropriated by this paragraph may be transferred to Operating Expenses of the Agency for International Development Office of Inspector General, to remain available until expended, to be used for costs of audits, inspections, and other activities associated with the expenditure of the funds appropriated by this paragraph*

*General Accounting Office*

*Provided further, That up to \$500,000 of the funds appropriated by this paragraph shall be made available to the Comptroller General for purposes of monitoring the provision of assistance using funds appropriated by this paragraph*

**From the Joint Explanatory Statement of  
the Committee of Conference, House Re-  
port 106-143**

*The conferees continue to seek to prevent any misuse of U.S. foreign aid and have, therefore, made available funds from this account for the AID Inspector General and the General Accounting Office. In addition, the conferees believe that AID and GAO should help recipient governments play a central role in ensuring that this emergency assistance is utilized properly. The conferees encourage AID to support the efforts of recipient governments to engage independent private sector organizations to help improve institutional capability to resist corrupt practices and to report on the possible misuse of funds*

The government of Nicaragua has agreed to a similar program and discussions continue with the IDB and USAID on how best to proceed.

USAID/Nicaragua is prepared to support this and other accountability efforts with \$1 million in CACEDRF funds.

### **Working with USC Partners**

USAID transferred \$5.6 million of CACEDRF to the State Department's Bureau of International Narcotics and Law Enforcement (INL) to provide additional assistance in the area of accountability. INL has begun a series of activities at both regional and country levels.

The regional activities include workshops to examine how far implementation of the Inter American Convention against Corruption has progressed in each country and what steps remain to be taken, training of investigative journalists on press responsibility and reporting on corruption, and technical assistance on customs integrity to develop codes of conduct and improved risk assessment mechanisms.

The country activities vary, based upon post input on country needs. They include projects such as strengthening the Economic Crimes Division of the Nicaraguan National Police, strengthening the Honduran and Salvadoran Public Ministries' Anti-Corruption Units, and providing training and equipment for Guatemala's polygraph unit.

## USAID's U.S. Government Partner Agencies

In the aftermath of Hurricane Mitch, President Clinton asked members of his Cabinet to mobilize their agency program and professional experience to assist the countries of Central America and the Caribbean. The supplemental bill passed by Congress included over \$100 million to be used by 13 USG agencies. Through the end of September 1999 these agencies and USAID worked with Congress to develop the Inter-Agency Agreements (IAAs) and a Memorandum of Agreement (MOA) needed to allow funding and work to begin. During this period, interagency teams went to the field to develop their year one work plans while many events were held both in Central America and the Caribbean to maintain private sector interest in 'building back better'.

These USAID-USG agency partnerships are premised on mutual institutional and human resource strengths. USG agencies are providing added programs, insight and staff to USAID-developed, country-specific reconstruction plans. USG agency staff, either temporarily based in countries, or through short visits, will work with communities and governments on mutually agreed upon goals. All USG reconstruction programming, with few exceptions, is programmed to end by December 31, 2001.

Initial USG agency program descriptions were developed with participation from local communities, governments and USAID missions.

- **HEALTH AND HUMAN SERVICES/CENTERS FOR DISEASE CONTROL** HHS/CDC's traditional role to study infectious disease outbreaks, control their spread, and devise appropriate prevention will contribute to the reconstruction effort through a variety of activities involving the improved capacity of institutions to respond to infectious and preventable disease. Program elements include rehabilitation of disease surveillance and active use of information for public health decisions, increased availability of trained epidemiologists in the region and the training of other levels of health workers by these epidemiologists, rehabilitation of infectious disease and environmental health laboratory capacity, and institutionalization of capacity of ministries of Health to design and implement community based prevention and control of disease programs. CDC will also work in collaboration with the Pan American Health Organization to implement this program. It is expected that a sub-grant of \$2 million will be made to PAHO/Washington. \$15 million.
- **ENVIRONMENTAL PROTECTION AGENCY** EPA will contribute to the reconstruction effort by improved capacity of institutions responsible for providing safe drinking water in targeted rural and key urban and peri-urban areas in El Salvador, Nicaragua and Honduras. EPA will work to strengthen and improve the capacity of national and regional laboratories responsible for surveillance and testing of drinking water quality, evaluate and recommend improvements to existing drinking water treatment plants and their distribution systems, strengthen the capacity of public utilities to operate efficiently and enhance coordination of major stakeholders in the water sector to foster more effective infrastructure planning and investment, strengthen the capacity of public officials, local groups and water utilities to protect source water from con

tamination, and reduce the vulnerability of drinking water infrastructure to natural disasters and accidents by assisting the laboratories and treatment plants to improve or develop a response system to natural disasters. EPA will work with regional organizations to promote cross border strategies and ensure long-term sustainability. \$2 million

- **FEDERAL EMERGENCY MANAGEMENT AGENCY** FEMA, collaborating closely with USAID's Office of U.S. Foreign Disaster Assistance (OFDA), will assess disaster mitigation, preparedness, and response capabilities and identify specific assistance needs in Central America, Haiti, and the Dominican Republic. FEMA interventions will complement ongoing and planned OFDA disaster mitigation/preparedness programs, as well as disaster mitigation/preparedness activities of other USG supplemental agencies (U.S. Geological Survey, National Oceanic and Atmospheric Administration, U.S. Army Corps of Engineers, Housing and Urban Development) and other donor programs (e.g., IDB, WB, OAS, PAHO, UNDP). \$3 million
  
- **HOUSING AND URBAN DEVELOPMENT** HUD's program will focus on four activities: 1) enhancing municipal government capacity by adapting the participatory planning components of its Empowerment Zones/ Empowerment Communities (EZ/EC) program to provide technical and financial assistance to key affected municipalities, 2) improving the availability of financing for low income families who presently have no access to finance through public and private insurance. This will complement the work of the IDB, other housing finance donors, mainstream lending institutions and NGOs to increase resources for low-income housing. To expedite resources delivery, in Honduras HUD will provide pilot seed capital and technical assistance to establish a locally managed revolving loan fund for low income housing, 3) improving building technology and construction by providing information on affordable, informal sector building technologies and training on uniform administration and enforcement of a basic safety code. HUD also will strengthen networks to coordinate and exchange information on building techniques and technologies, and assist in stimulating joint ventures in housing and building technologies to promote local production, while supplying needed goods and materials available locally and in the United States, and 4) enhancing regional activities through exchanges and discussions with other countries, as well as with U.S. partners. \$10 million
  
- **ORGANIZATION OF AMERICAN STATES and U.S. DEPARTMENT OF STATE--POLITICAL MILITARY AFFAIRS, OFFICE OF HUMANITARIAN DEMINING** USAID signed a Memorandum of Agreement for \$2 million with the U.S. Department of State on September 10, 1999, to support clearance of landmines and other unexploded ordnance in Nicaragua and Honduras. In turn, the State Department signed a Memorandum of Agreement with the OAS in November to implement the program through the ongoing Inter American Defense Board demining program, as part of a multidonor effort.

The damage caused by Mitch exacerbated an already dangerous hazard of landmines primarily along the Honduras-Nicaragua border where an estimated 82,000 landmines remain from the Sandinista era. Demining activity in both Nicaragua and Honduras returned to a normal tempo within about a month after Hurricane Mitch, using funds in place under predecessor agreements since 1995. The Nicaraguan National Emergency Demining Plan went into effect in

November 1998 and was completed in June 1999 using four demining fronts equipped with metal detectors and four mine detection dog teams

Unfortunately, the work to be completed expanded dramatically by the hurricane as river bridges and fords were destroyed and an undetermined number of mines caught up in flood waters were washed away from their original locations. The effect was more dramatic in Nicaragua, as areas other than the limited border are affected by the presence of antipersonnel landmines. Landmines buried in the mountainous border regions moved into the central plateau previously thought to be mine-free. The USAID grant is funding establishment of a 100-person operational unit (known as Front No. 5) in Nicaragua to conduct demining operations, under international supervision, in the Northern Atlantic Autonomous Region (RAAN) of Nicaragua. To date, the Central American personnel have been selected, and public awareness campaigns continue. Areas of focus include high-tension electrical transmission towers, bridges, forestry observation towers and several border crossing areas.

Of the \$2 million, some \$250,000 is allocated for Honduras, where a relatively small but difficult border area remains to be demined in the Choluteca area. The program includes repair or replacement of a helicopter turbine and several wheeled vehicles damaged/destroyed or prematurely worn out as a result of usage during Mitch, public awareness campaigns and mine victim assistance efforts, as well as logistics and administrative and supervisory support.

- **OVERSEAS PRIVATE INVESTMENT CORPORATION** OPIC will mobilize and facilitate long term U.S. private sector investment in the development of Central American economies, particularly in areas most affected by Hurricane Mitch. Key sectors of the economy in the region have been identified by OPIC as top priority in its outreach efforts, including infrastructure, housing, agriculture, energy, manufacturing, and tourism. In each of the sectors that OPIC has targeted, the focus will be to remove constraints that impede the mobilization and activation of reconstruction activities, including the lack of credit. OPIC will include present clients that have particular interests in each of the identified sectors. OPIC leverages its investments with that of the private sector. Typically, for every \$100 in financing that OPIC commits to a project, \$368 is invested from other sources. \$1 million.
- **PEACE CORPS** The Peace Corps will provide volunteers, including up to 150 Crisis Corps volunteers, to support disaster mitigation and preparedness activities in the Dominican Republic, Eastern Caribbean, El Salvador, Guatemala, Honduras, and Nicaragua. These volunteers will be in addition to the more than 600 Peace Corps volunteers currently serving in these countries. They will work in the critical areas of water sanitation, construction, agriculture and health, and provide training and extension opportunities to individuals and groups to help them recover from the impacts of the storms. The Peace Corps will work at the local level and support the hardest-hit families in the poorest communities to promote the efficient use of resources for sustainable household and community development. The volunteers will be trained in community-based disaster preparedness and mitigation activities so they can work with their host country counterparts and other community organizations to help people better prepare for future events. The project will develop training materials for volunteers and their counterparts and provide the necessary equipment and support staff to meet the needs of the expanded programming. The Peace Corps will make special efforts to avoid any diminution of its current activities that

support reconstruction, including municipal management, soil conservation and environmental awareness, agro-forestry, watershed protection and management, and water and sanitation education. The project will cover the added costs of operating in environments greatly altered by the hurricanes \$6 million

- **U S. ARMY CORPS OF ENGINEERS** USACE will make the planning, engineering, environmental and construction resources of the entire Corps of Engineers available to the USAID field offices and the U S federal agencies assisting in the recovery effort. All efforts will be accomplished in an interagency environment. For assigned tasks, USACE will use available data and specialized capabilities of other agencies such as USGS, USDA or NOAA, as well as that of host nations and ensure there is no duplication of effort. Technology transfer to Central American institutions will be an integral part of all efforts. Illustrative activities include river basin rehabilitation/watershed reconstruction planning, flood control and response to flood emergencies, landslide stabilization, assessments of damaged and destroyed infrastructure (major bridges, roads, levees), water resource infrastructure rehabilitation, and design and management of construction projects. Utilizing a Memorandum of Agreement USACE will enter into specific Participating Agency Service Agreements (PASAs) with each mission with an approximate total value of \$10 million
- **U S DEPARTMENT OF AGRICULTURE** USDA is supporting two reconstruction programs: environmental management/disaster mitigation and economic reactivation of the agricultural sector. The environmental program entails watershed protection, agricultural land reclamation, and increased local capacity for natural disaster mitigation. Options will be developed to reclaim formally productive lands while exigencies will be corrected and training offered in emergency watershed protection. Additionally, assistance and training will be offered in land reclamation, soil and water conservation, reforestation, agro-forestry, land use planning, and watershed management. The economic reactivation program will establish agricultural health systems to reduce hurricane induced risks to animal and plant health and food safety systems, and by strengthening capacity to carry out regional Central American food security analysis. These systems will reduce hurricane induced agricultural health risks to levels consistent with World Trade Organization (WTO) sanitary and phytosanitary standards, and provide safety recommendations for good agricultural practices. USDA will work to strengthen regional food security analyses' capacity to guide public and private sector decisions on agricultural investments. In Central America, both USDA programs will work in Honduras, Nicaragua, Guatemala, and El Salvador, while the reactivation program also will be working in the Caribbean in St. Kitts and Nevis and Antigua and Barbuda. \$13 million
- **U S DEPARTMENT OF COMMERCE** DOC's reconstruction effort will support the development of hydrometeorological predictive systems, support the development of capacity in coastal communities for disaster preparation, and encourage disaster-resilient economic revitalization. It is anticipated that DOC assistance will contribute to forecast and early warning systems, reconstruction planning and the protection of human life and property. Most activities will take place in Honduras, Nicaragua or the Central American Region, with Guatemala, El Salvador and the Dominican Republic receiving targeted assistance. Illustrative activities include reconstruction and improvement of weather forecast and early disaster warning systems, providing geo spatial

infrastructure (geodetic network) and water-level reference frameworks (tide gauge network), providing initial climate forecast information, training coastal area 'extension agents", promoting insurance instruments and other market incentives for appropriate land uses, and promoting regional trade and investment forums and conferences to promote disaster minimization as good business. Activities will be closely coordinated with the hurricane reconstruction activities of other USG agencies (USAID/OFDA, Army Corps of Engineers, US Department of Agriculture, and U S Geological Survey) and USAID missions. \$17.1 million

- **U S. DEPARTMENT OF TRANSPORTATION** A Differential Global Positioning System (DGPS), or navigational aids system, will be installed and become operational within five months after activities are initiated. The system, which would make use of four U S Coast Guard DGPS radio beacons, would be state of the-art, weather-immune, and operational on a 24-hour a-day basis. The ports of Cortez and San Lorenzo in Honduras and Corinto and Cabezas in Nicaragua have been selected to receive DGPS systems based on an endorsement by the board of directors of the Central American Commission on Maritime Transportation (COCATRAM). The program will include a number of elements, consisting of on site location and installation plans for DGPS Transmitter Facilities acquiring and transporting, assembling and testing equipment and software. Personnel will be trained. A port reconstruction assessment will be initiated and vulnerability analysis of key transport infrastructure will be undertaken within Central America with the aim of developing regional emergency response plans to mitigate the effects of future disasters. \$1.992 million
  
- **U S DEPARTMENT OF STATE DEPARTMENT - BUREAU OF INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT** INL will implement the following three initiatives to discourage illegal migration to the United States, drug trafficking, and corruption: 1) the Illegal Migration Initiative will provide host country immigration officials, including Costa Rica, with tools and training to identify and track alien smugglers and other criminals, and provide potential immigrants with information from the U S Immigration and Naturalization Service on conditions they will encounter en route and as illegal aliens in the United States, 2) the Commercial Freight Tracking Initiative will assist local governments in establishing commercial freight inspection stations and offices at major border checkpoints. Projects include installing a computerized system to collect data on freight transit, and training local counternarcotics police in the use of software, computer equipment, and commercial freight inspection techniques, and 3) the Anti-Corruption Initiative will provide training in investigative techniques and case management to selected government institutions involved in anti-corruption activities. The first step is to assess the enabling legislation and capabilities of host governments to fight corruption. The initiative will be managed in-country to ensure coordination with other related activities and will eventually supplement training with equipment for office and investigative operations to ensure institutional sustainability. Each embassy will have an interagency advisory team with experts in justice, police internal affairs, investigative training, and narcotics affairs to oversee this initiative. Regional initiatives also include training for the press on accountability, workshops with government officials on preventive measures against corruption, and customs integrity training. \$10 million



- **U.S. EXPORT-IMPORT BANK** The Ex Im Bank has been working with the Central American Bank for Economic Integration (CABEI) on a joint initiative to provide medium term financing to Central American countries. Under this structure, U S banks will provide funding to CABEI for on lending to Central American entities for the purchase of U S goods and services. The funding for Ex-Im Bank's program will be used to cover the budget costs of approximately \$70 million in trade financing. In addition, the funding will support Ex-Im Bank financing activities in these countries directly with purchases as well as through other entities. Ex Im Bank outreach efforts will be conducted in the region to inform potential purchasers, host country government agencies, local cooperatives, and local banks of the financing programs available through Ex-Im Bank. In addition, Ex-Im Bank will prepare Spanish- language fact sheets on programs for businesses and governmental agencies. In the United States, Ex Im Bank will participate in seminars with other U S government agencies, including the Department of Commerce, to emphasize the opportunities available for U S firms in Central America and the Caribbean. Information about Ex-Im Bank's export credit insurance, direct loans, working capital guaranties, and loan guaranty products will be made available on the Ex Im Bank web site. The web site is accessible through hyperlinks with other U S government agencies. \$10 million
  
- **U.S. GEOLOGICAL SURVEY** USGS will support the reconstruction effort by providing critically needed maps, aerial photographs, satellite imagery, assessments of damage and potential risk from future floods and landslides, and baseline data for the management of critical watersheds and coastal ecosystems. It is anticipated that USGS-provided data will contribute to reconstruction planning, infrastructure design, the refinement of Central American building and land-use practices, the proper management of natural resources, and the protection of key ecosystems. Most of the activities will occur in Honduras and Nicaragua, with Guatemala and El Salvador receiving targeted assistance. A Central American regional activity will promote cross-border strategies for disaster preparedness. Illustrative activities include improving access to topographical base maps and acquiring and distributing aerial photographs and satellite imagery for affected countries, using Geographic Information Systems, developing national hydrologic databases, developing data and information sites with nodes in each affected nation, producing flood-risk maps, developing, installing, and/or rehabilitating at least 25 new national stream flow gauging stations in the four affected Central American countries, preparing landslide and volcano hazard maps, preparing damage assessments and restoration plans for shrimp farms, shrimp populations, and mangrove habitat, and establishing information and training centers in the most affected countries. Activities will be closely coordinated with the activities of other USG agencies (e.g., Army Corps of Engineers, NOAA, USDA) and USAID missions. \$13.25 million

## **PREPARING FOR THE FUTURE**

One of the most important activities of the past year was incorporating the lessons learned from Hurricanes Mitch and George into USAID planning – not only for reconstruction but to ensure that the region is better protected and less vulnerable during future hurricane seasons

With supplemental funds, USAID has programmed over \$109 million of the \$623 million hurricane supplemental for natural disaster mitigation and preparedness programs about \$95 million for Central America and about \$14 million for the Caribbean. Missions, the Department of Defense, OFDA and USDA funded \$312 million for immediate disaster relief. More than a dozen USC partner agencies will use their expertise to support economic and social recovery, and improve the region's resiliency to future natural disasters.

USAID mission directors will coordinate all USC agency mitigation and preparedness programs. Programs will look at natural hazard vulnerability and risk assessments, risk management planning, land use and river basin development planning, improved construction technologies for disaster resistant housing, development of disaster early warning systems, critical watershed protection, flood control, landslide stabilization, strengthening health surveillance and readiness systems, improving resiliency of transport systems to natural disasters, public awareness campaigns, and development of capacity (at regional, national, and local levels) for disaster mitigation, preparedness and response.

### **Key Disaster Mitigation Partnerships**

- USAID's Office of U.S. Foreign Disaster Assistance – support for risk management planning, public awareness campaigns, and capacity building of regional, national and community disaster management organizations for mitigation and preparedness. OFDA's support includes a new three year \$11 million Presidential Initiative for disaster mitigation and preparedness for Central America that is not part of the hurricane supplemental, in addition to other ongoing OFDA programs. OFDA collaborates with the U.S. Southern Command (SOUTHCOM) in contingency planning, pre-positioning of relief commodities, hurricane pre-deployment rotations, and training in disaster response, mitigation and preparedness.
- U.S. Army Corps of Engineers – support for river basin rehabilitation, flood control, landslide stabilization, infrastructure reconstruction, and disaster preparedness.
- U.S. Department of Agriculture – support for critical watershed stabilization, watershed management, rural housing rehabilitation, and community-level disaster preparedness.
- U.S. Department of Commerce – support for climate prediction, flood forecasting, flood warning systems, disaster resistant construction practices in coastal zones, and municipal disaster preparedness.

- U S Geological Survey – support for natural hazard vulnerability assessments, disaster risk management planning, information collection and management systems, and development of disaster early warning systems
- Federal Emergency Management Agency – support for risk management planning, disaster awareness, and regional, national, and local-level disaster mitigation and preparedness
- The Peace Corps – support for community and municipal disaster preparedness, tree planting and critical watershed stabilization
- U S Department of Housing and Urban Development – support for housing building technologies and construction, land use planning, and zoning
- U S Department of Transportation – support to reduce the vulnerability of transport networks to natural disasters
- The Centers for Disease Control – support for disease surveillance and early warning system to ensure effective response to natural disasters

### **Disaster Preparedness**

Missions have formed internal teams that work closely with local disaster preparedness groups. They have utilized expertise from OFDA, SOUTHCOM, FEMA and other USG agencies where possible. Some examples are

- short-term disaster preparedness and mitigation plans for municipalities most vulnerable to further destruction,

--practical manuals prepared and training workshops conducted with smaller municipal governments on specific disaster mitigation measures, and,

-National civil defense entities are providing TV spots on the hurricane season, conducting drills with the Red Cross and ministers of Health and Public works, and publishing list of shelters

### **COORDINATING WITH OTHER DONORS**

USAID/LAC mitigation programs are being coordinated with The World Bank, Inter-American Development Bank and other donors in conjunction with Central American and Caribbean governments and regional organizations (e.g., SICA/CCAD, CEPREDENAC and CEDERA)

- The World Bank is granting \$300,000 to the Center for the Prevention of Disasters in Central America (CEPREDENAC). The Inter-American Development Bank is matching the \$300,000 and providing an additional \$1.1 million from a Japanese Trust Fund.
- The three grants, totaling \$1.7 million, will be used to reduce or eliminate long-term and recurrent risks from natural disasters in Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama from torrential rains, hurricanes,

forest fires, flooding, landslides and mudslides The project is the result of a World Bank and IDB partnership

USAID will join with FEMA to co sponsor a special session on disaster preparedness at the IDB's annual meeting in March 2000

**For more information, please visit our web page at:  
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